TD

Distr.
GENERAL

TD/B/SR.494
17 March 1978

ENGLISH
Original: FRENCH

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Ninth special session (Third part)

SUMMARY RECORD OF THE 494th MEETING

held at the Palais des Nations, Geneva,
on Saturday, 11 March 1978, at 3.30 p.m.

President: Mr. ATHULATHMUDALI (Sri Lanka)

later: Mr. HAUGESTAD (Norway)

CONTENTS

Procedural matters (agenda item 1) (continued):

(b) Adoption of the report on credentials

Pursuant to Conference resolution 94 (IV), review of actions concerning the indebtedness of developing countries, in particular, the discerning of features which could provide guidance in operations relating to debt problems (agenda item 2) (continued)

Consideration of proposals made by developing countries and of other views expressed at the first and second sessions of the Intergovernmental Group of Experts on the External Indebtedness of Developing Countries as reported in documents TD/B/670 and TD/B/685 and Corr.1 (English only), TD/B/685/Add.1 and Corr.1 (English only) and Add.2-5 (agenda item 3) (continued)

Consideration of Board decision 149 (XVI) relating to least developed, developing island and land-locked developing countries (agenda item 4) (continued)

Adoption of the report of the Board (agenda item 7)

Closure of the third part of the session

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Corrections to the records of the meetings of the Board at the third part of the ninth special session will be consolidated in a single corrigendum to be issued shortly after the end of that part of the session.

GE.78-65519

PROCEDURAL MATTERS (agenda item 1) (continued):

(a) ADOPTION OF THE REPORT ON CREDENTIALS (TD/B/698)

1. The report of the Bureau on credentials (TD/B/698) was adopted.

PURSUANT TO CONFERENCE RESOLUTION 94 (IV), REVIEW OF ACTIONS CONCERNING THE INDEBTEDNESS OF DEVELOPING COUNTRIES, IN PARTICULAR, THE DISCERNING OF FEATURES WHICH COULD PROVIDE GUIDANCE IN OPERATIONS RELATING TO DEBT PROBLEMS (agenda item 2) (TD/B/693 and Corr.1 (English only), TD/B/685/Add.1 and Corr.1 (English only) and Add.2-5, TD/B/690, TD/B/695; TD/B/L.498, TD/B/L.500; TD/AC.2/7; TD/B/WGO/30) (continued)

CONSIDERATION OF PROPOSALS MADE BY DEVELOPING COUNTRIES AND OF OTHER VIEWS EXPRESSED AT THE FIRST AND SECOND SESSIONS OF THE INTERGOVERNMENTAL GROUP OF EXPERTS ON THE EXTERNAL INDEBTEDNESS OF DEVELOPING COUNTRIES AS REPORTED IN DOCUMENTS TD/B/670 AND TD/B/689 AND Corr.1 (English only), TD/B/685/Add.1 AND Corr.1 (English only) AND Add.2-5 (agenda item 3) (TD/B/690, TD/B/695; TD/B/L.498; UNCTAD/CA/1082) (continued)

CONSIDERATION OF BOARD DECISION 140 (XVI) RELATING TO LEAST DEVELOPED, DEVELOPING ISLAND AND LAND-LOCKED DEVELOPING COUNTRIES (agenda item 4) (TD/B/681 and Add.1, TD/B/690, TD/B/695) (continued)

2. The PRESIDENT said he was glad to announce that, after long and intensive consultations with the co-ordinators of the regional groups and the members of the Contact Group, agreement had been reached on a draft resolution which, for technical reasons, had been circulated in English only. 1/ He congratulated delegations on that success, which was a major advance in the North/South dialogue and in international economic co-operation. The current ministerial session of the Board had therefore been rightly described as historic: its results would constitute a milestone in the efforts to establish a more equitable and satisfactory international economic order.

3. For several years, the issues of the indebtedness and the development of the developing countries had been the subject of intensive negotiation, and the differences of opinion between developed and developing countries had appeared to be unbridgeable. However, for the first time some specific steps had now been announced and the Board had found a basis for solutions which, though they were not perfect, had seemed impossible only a short time previously.

4. The measures in question would lead to substantial relief and direct economic benefits for the poorer developing countries. For the first time, the Board had succeeded in devising a framework for future debt reorganization operations. Much, of course, remained to be done to ensure that the possibilities thus created became a reality; but he was convinced that, given the same awareness of the close interdependence of all countries and the same spirit of co-operation that had been displayed in the Board during the third part of its session, intergovernmental consultations would soon result in agreement on the necessary detailed features.

---

1/ The draft resolution was later circulated under the symbol TD/B/L.501.

5. The progress made in that critical field would certainly open the way to rapid advances in other fields, thus demonstrating that an international institution such as UNCTAD could, when member States displayed the necessary spirit of co-operation, prove to be extremely effective.

6. Mr. Haugestad (Norway) took the chair.

Report of the Committee of the Whole

7. Mr. ANASTASSOV (Bulgaria), Rapporteur of the Committee of the Whole, gave the Board an account of the work of the Committee of the Whole which had been mandated to discuss agenda items 2, 3 and 4, and of the Working Group which had been requested to report to the Committee of the Whole on the question of guidelines or common norms for future debt reorganization operations and on its consideration of a draft resolution submitted by 13 States members of Group B (TD/B/L.498).

8. There had been general agreement in the Working Group on the need to identify and implement features which could provide guidance for future debt reorganization, but some members of the Group of 77 had stressed that the proposal attached to the draft resolution (TD/B/L.498) had already been considered earlier in other forums and had not been found acceptable. Several representatives had nevertheless found common features between that proposal and the proposal presented by the Group of 77 at the first session of the Intergovernmental Group of Experts on the External Indebtedness of Developing Countries (TD/B/670, annex II). Subsequently, the representative of a country member of the Group of 77 had presented an informal paper on the objectives of guidelines, which had been followed by a draft proposal by the Group of 77 (TD/B/L.500). The latter proposal had not been found acceptable by Group B and it had been suggested that, in view of the pressure of time, the question of features should be submitted to the Presidential Contact Group for further consideration. In short, the Working Group had not been able to prepare an agreed text, even on procedural measures.

9. As for the other items referred to the Committee of the Whole, a small contact group had been established to explore the proposals made by the representatives of the various regional groups. That contact group had held a fruitful exchange of views but, since the same issues were to be considered in detail by the President's Contact Group, it had taken the view that the matter should be handled by the latter Group.

In the circumstances, the Committee of the Whole had decided that the items referred to it should be referred back to the Board itself for decision.

10. The PRESIDENT proposed that the Board should take note of the report of the Committee of the Whole, which would form an integral part of the Board's report on the third part of its session.

11. It was so decided.

17. The PRESIDENT suggested that the draft resolution on the debt problems of developing countries, submitted by certain States members of Group B (TD/B/L.498), and the draft resolution on features for discerning guidelines for future debt reorganization of interested developing countries, submitted by Jamaica on behalf of the States members of the Group of 77 (TD/B/L.500), should be annexed to the Board's report.

18. It was so decided.

19. The PRESIDENT invited the Board to consider the draft resolution on the debt and development problems of developing countries, which he had mentioned at the beginning of the meeting and which had financial implications.

20. Mr. STEINBACHER (Secretariat) said that, on the assumption that an intergovernmental group of experts would meet at Geneva for three weeks and would require conference services in four languages, including teams of interpreters for group meetings, and a total documentation of 150 pages, the financial implications were estimated at $106,000.

21. Mr. MESSEL (France) expressed a reservation on behalf of Group B concerning the length of the meeting of the group of experts. A three-week meeting was, in his view, too long, but the matter could be discussed.

22. The PRESIDENT said that, in the absence of any objection, he would take it that the Board, having noted the financial implications, wished to adopt the draft resolution.

23. It was so decided.

24. Mr. PANKIN (Union of Soviet Socialist Republics), speaking on behalf of the Group B countries, recalled that the Group's position had been set out in the joint statement delivered to the preceding plenary meeting by the USSR delegation (TD/B/SR.493, paragraphs 65-70).

25. In the spirit of that statement, the States members of Group B were prepared to support moves designed to alleviate the burden of debt owed to developed capitalist States by developing countries. Accordingly, they did not object to the adoption by consensus of recommendations drawn up on the basis of agreements between the Group of 77 and Group B. Nevertheless, for reasons of principle explained in the above-mentioned joint statement, they were unable to commit themselves to any general recommendations on those problems addressed to all countries, particularly the recommendations contained in the resolution that the Board had just adopted. The same comment applied also to any future interpretation of the terms "developed countries" and "developed donor countries" which were used in that resolution. The countries members of Group B wished, nevertheless, to reaffirm their willingness to continue to collaborate directly with the developing countries concerned on issues connected with the use and repayment of loans granted by their countries.

21. Mrs. BELLAMY-BENSLIMANE (Algeria) said she regretted that the draft resolution had been submitted in English only, since that was not her working language. Consequently, she was obliged to express a reservation concerning the resolution.

22. Mr. HENNEL (France) said he shared the concern expressed by the representative of Algeria. It was true that lack of time sometimes made it necessary to use only one of the working languages, but that was a situation which his delegation had always regretted. It hoped that translations of the resolution in question into the other working languages would be issued without delay.

23. Mr. BENITO (Spain) endorsed the comments made by the representatives of Algeria and France. In a spirit of co-operation, he had agreed to consider the English text, on the understanding that the situation should not create a precedent.

24. Mr. HUSSEIN (Egypt), speaking on behalf of the Group of 77, said that the resolution which the Board had just adopted after a great deal of strenuous effort represented the maximum that the Group of 77 could achieve in present circumstances with respect to the debt problem. In agreeing to the resolution, the Group of 77 nevertheless hoped that future co-operation between developing and developed countries on that issue would be more fruitful, and that all concerned would co-operate effectively in promoting the objectives and the spirit of the resolution.

25. Mr. AL-KHUDHAIRY (Iraq) said that his delegation had joined in the consensus on the resolution adopted, although it believed that the text fell far short of the full aspirations and objectives of the developing countries in the field of debt reorganization and restructuring. His delegation's position in that respect was that the debt problem was one of a long-term nature relating to structural, financial and transfer-of-resources problems - in other words, it was a development problem. His delegation rejected the contention that the debt problem was a balance of payments or a liquidity problem.

26. Mr. BOURAOU (United Republic of Tanzania) expressed his delegation's uneasiness at the way in which the ministerial part of the session of the Trade and Development Board had proceeded.

27. The debt-ridden developing countries had looked forward to that historic meeting, believing that at the ministerial level the Board would have the necessary political will to effect a breakthrough. A lot of preparatory work had been done by the Intergovernmental Group of Experts (IGE), though failing to arrive at any agreement, had managed to clarify and spell out the issues. People were entitled to assume that the present ministerial meeting had been convened because there was a readiness to find solutions to the debt problems of the developing countries in cases that were ripe for ministerial decision. Those solutions could only be provided by the developed countries.

32. The Tanzanian delegation had been very disillusioned, therefore, to hear the statements of the representatives of some of the developed countries which, instead of solving the debt problem, had attempted to explain it away. His delegation had the distinct impression that some of the Ministers of developed market-economy countries were not responsible for the debt problem of the developing countries. That type of statement had certainly not helped the Board in its work.

33. The Tanzanian delegation, however, welcomed the practical measures already taken by some developed countries (Sweden, Canada, Netherlands and Switzerland) to alleviate the debt problem of the poorest developing countries. It had also been greatly encouraged by the positive statements made by the representatives of the United Kingdom and the Federal Republic of Germany. It hoped that those statements would be followed by positive steps and would encourage other Governments to act in the same way.

34. The debt service obligation of the United Republic of Tanzania was approximately $70 million per annum, or almost the total budget of 3 key ministries or 40 per cent of the total budget for a financial year. For example, servicing needed out of the budget in a country with a per capita income of $120.

35. The present situation of the country with regard to external indebtedness could therefore be that of other developing countries, in particular the least developed countries and those most seriously affected, if the international community did not come forward in time with appropriate solutions to the debt problem. The Tanzanian delegation could not hide its disappointment at the absence of conclusive results during the present session. It was to be hoped that the representatives of the developed countries would at least have a better understanding of the problem of the developing countries' indebtedness, which continued to compromise the latter's development prospects and, consequently, to weaken the world economy as a whole.

36. Mr. Al-[illegible] Alwi (Iraq) said that it was extremely regrettable that during the Board's discussion, the representatives of a number of industrialized countries had explicitly and implicitly put the blame for the difficult economic and financial position in which many developing countries found themselves on the shoulders of the developing oil-exporting countries.

37. That attitude was not surprising. It had been part of the strategy of some industrialized countries to create divisions in the unity and solidarity of the developing countries members of the Group of 77. Such attempts had been made at the Conference on International Economic Co-operation, but they had failed, as they had failed on the present occasion and would continue to fail. According to some industrialized countries, it had been in 1973 - when the developing oil-exporting countries had adjusted the price of their non-renewable commodity - that the world's economic and monetary crisis had started; before 1973, they argued, everything had been perfect in the best of worlds - which was entirely false.

38. The present world economic crisis stemmed largely from the profound inequality in the economic and social progress among peoples, which characterized

the underdevelopment of the developing countries and has been created and activated by relentless exploitation under the colonial period, which has not abated even when the classical colonial period had ended. On the contrary, those inequalities had become more acute over the years due to the absence of adequate international co-operation for development. That situation had caused a heavy drain of natural resources and other resources from the developing countries, bringing about a negative transfer of capital resources and technology. That disequilibrium had its roots well before 1973 - in fact, from the end of the Second World War. It had been constantly aggravated by the galloping inflation in the industrialized countries, which had started in the early 1950s and had been exported ever since to the developing countries, where it played havoc with their economies and development plans.

35. That inflation was due in particular to the suspension of the convertibility of the dollar into gold, to the successive devaluations of the dollar, and to the printing of dollars in excessive quantities in order to take advantage of the dollar's position as a world reserve currency to cover balance-of-trade deficits of some of the rich industrialized countries.

36. World inflation had not abated even although the price of oil in real terms had depreciated by half at the end of 1977 compared with 1973. It was inflation, generated and fuelled by the economic and monetary structures of the industrialized world, as well as the absence of monetary discipline which had brought about the general slowing down in economic growth with its adverse impact on the economic development and the well-being of the developing countries, in particular, the least developed of the developing countries. The refusal of the majority of industrialized countries to reach the 0.7 per cent target for their official development assistance (ODA) under the International Development Strategy and the deterioration of the terms of trade of the developing countries had contributed to the situation in which the latter countries found themselves today.

37. The Israeli delegation categorically rejected any allegation attributing to the price of petroleum the responsibility for the present instability of the world economy. Indeed, the oil which had played a very important role in the progress and prosperity of the industrialized countries for a quarter of a century was the cheapest source of energy, and the cost of imported oil constituted an almost negligible part of the gross national product of the developed countries. Oil was still priced lower than its real value compared with other energy alternatives and with its future importance as a raw material. In spite of the losses in purchasing power of the export earnings of the member countries of the Organization of Petroleum Exporting Countries (OPEC) as a result of the persistent world inflation, those countries had decided at their fiftieth meeting in December 1977 to freeze the price of oil. The galloping inflation in the industrialized countries had very little to do with the changes in the price of oil; it was due mainly to the economies of those countries themselves. A study of the oil content in the finished or manufactured products of the industrialized countries had shown clearly that the direct and indirect increase in the prices of those products as a result of a 100 per cent increase in the price of imported oil would be less than 2 per cent. Thus for the Federal Republic of Germany, the direct effect would be 0.75 per cent and the total direct and indirect effect, after seven years, would be 1.70 per cent; for France, it would be 1.01 and 1.83 per cent, for Japan 1.13 and 1.93 per cent, for the United States of America it would be 0.32 per cent and 0.64 per cent, respectively.

39. It should not be forgotten, either, that the developing countries, which constituted about 60 per cent of the world's population, consumed only 13 per cent of the global energy demand.

40. The OPEC member countries, with increased financial resources in a relatively short period of time, had contributed through multilateral and bilateral channels to the development efforts and to the balance of payments adjustment of other developing countries as well as of industrialized countries. As a percentage of their gross national product (GNP), their financial support to other developing countries had been several times greater than the average annual aid given by the industrialized countries. Thus the disbursements of the industrialized countries in 1975 amounted to $11.93 billion or 0.36 per cent of their GNP, while the total aid provided by member countries of OPEC amounted to $7.959 billion, which represented 2.93 per cent of their GNP. In 1976, the percentages were 0.33 per cent for the industrialized countries, or a drop of 0.03 per cent, and 5.20 per cent for the OPEC member countries, or an increase of 2.27 per cent.

41. Contrary to the practice of the industrialized countries, the assistance provided by OPEC member countries was, in almost all cases, untied and directed towards development projects and vital needs of the developing countries and it was provided in freely convertible currencies.

42. In addition to the aid which OPEC member countries had extended to other developing countries, they had provided financial facilities to developed countries to help them meet their balance of payments deficits. The contributions which OPEC member countries had made, individually or collectively, to the OPEC Special Fund and to international monetary and aid institutions should not be forgotten either. The OPEC Special Fund had contributed $455.5 million to the International Fund for Agricultural Development (IFAD), while OPEC member countries had contributed $2 billion to the "oil facility" of the International Monetary Fund (IMF) and $4.3 billion to the supplementary financing facility ("Witteveen facility"), which represented nearly half of the total contributions. The operation of the latter facility was being held up by the intransigence of the United States Congress, which was attempting to use the United States contribution to the Fund to export its political system to other countries, thus politicizing the world's central monetary organism.

43. According to a study which had been published in July 1977 by Citibank, a major United States banking conglomerate, and which had been compiled by one of its financial experts and by an expert of the Bank for International Settlements, the mounting indebtedness of the third world countries was due, to a very great extent, to the recession in the industrialized countries, and the preponderant causes of the non-oil developing countries' large current account deficit and their heavy indebtedness were world recession and world inflation, which had averaged around 9 per cent in the period 1974 to 1976. Thus, according to the authors of that study, the responsibility for the aggravation of the economic situation in the third world lay in the West. Recession in the industrial countries had accounted for over 55 per cent of the deterioration between 1973 and 1975.

44. Lastly, it should be noted that many of the developing oil-exporting countries were already registering trade deficits. Indeed, during the third quarter of 1977, OPEC member countries had been net borrowers to the tune of $1.8 billion.

45. Mr. AL-KAITTING (Qatar) associated himself with the statement made by the representative of Iraq. He rejected the view that disturbances were tied in hand with the problems of liquidity and balance of payments. The real problem stemmed from the transfer of resources.

46. By operating an equitable adjustment of oil prices in 1973 and afterwards, the OPEC member countries had only been endeavouring to safe legitimate interests as developing countries. The deterioration of the world economic order was due to the internal economic and social structure of the industrialized countries and showed a lack of individual responsibility with respect to the measures taken by those countries.

47. It should not be forgotten that if the OPEC member countries' surpluses were offset by the imposition of inflationary prices for technology transfer to those countries. Furthermore, the official aid of OPEC member countries had outstripped the planned target of 0.7 per cent of GNP flows for aid.

ADOPTION OF THE REPORT OF THE MAIN COMMITTEE (A/S-7/L.2/Rev.1 and A/S-7/)

48. Mr. [illegible] (Secretary, General), introducing the draft report of the Board on the third part of the ninth special session.

49. The report of the Board on the third part of the ninth special session was adopted.

CLOSURE OF THE NINTH PART OF THE SESSION

50. After an exchange of courtesies, the PRESIDENT declared closed the third part of the ninth special session.

The meeting rose at [illegible].

TD

Distr.
GENERAL

TD/B/SR.495
4 April 1978

ENGLISH
Original: FRENCH

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Seventeenth Session (Second Part)

SUMMARY RECORD OF THE 495th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 4 April 1978, at 12.30 p.m.

President: Mr. de ALWIS (Sri Lanka)

CONTENTS

Opening of the second part of the seventeenth session

Other particular matters in the field of trade and development (agenda item 6) (continued):

(b) Progressive development of the law of international trade: tenth annual report of the United Nations Commission on International Trade Law

Institutional, organizational, administrative and related matters (agenda item 7) (continued):

(b) Announcement of any changes in the membership of the Board and election to membership of the main Committees (continued)

(f) Review of the calendar of meetings (continued)

(h) Rationalization of the structure of the permanent machinery of UNCTAD (continued)

Other business (agenda item 8):

Report of the Working Party on the medium-term plan 1980-1983

Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies (agenda item 5) (continued):

(a) Commodity trade: Tungsten

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Corrections to the records of the meetings of the Board at the second part of the seventeenth session will be consolidated in a single corrigendum to be issued shortly after the end of that part of the session.

GE.78-64063

OPENING OF THE SECOND PART OF THE SEVENTEENTH SESSION

1. The PRESIDENT declared open the second part of the seventeenth session.

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (agenda item 4) (continued):

(c) PROGRESSIVE DEVELOPMENT OF THE LAW OF INTERNATIONAL TRADE: TENTH ANNUAL REPORT OF THE UNITED NATIONS COMMISSION ON INTERNATIONAL TRADE LAW (UNCITRAL) (A/32/17 - TD/B/664)

2. The PRESIDENT said that the Board had before it the tenth annual report of UNCITRAL (A/32/17 - TD/B/664). In the absence of any objections, he suggested that the Board should take note with appreciation of the report.

3. It was so decided.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 7) (continued)

(b) ANNOUNCEMENT OF ANY CHANGES IN THE MEMBERSHIP OF THE BOARD AND ELECTION TO MEMBERSHIP OF THE MAIN COMMITTEES (TD/B/677)

4. The PRESIDENT announced that, since the first part of the seventeenth session, Jordan had indicated that it wished to become a member of the Committee on Invisibles and Financing related to Trade, and the United Arab Emirates had expressed a wish to become a member of the Committee on Economic Co-operation among Developing Countries. He proposed that the names of those countries should be added to the list of members of the Committees in question.

5. It was so decided.

(f) REVIEW OF THE CALENDAR OF MEETINGS (TD/B/INF.76 and TD/B/L.502 and Add.1)

6. The PRESIDENT drew attention to the further changes proposed (TD/B/L.502) and to their financial implications (TD/B/L.502/Add.1).

7. Mr. ROSSEN (Deputy Secretary-General of UNCTAD) said that, if the Board approved all the proposed changes in the calendar of meetings (TD/B/L.502), the total number of weeks of meetings in 1978 would amount to 114½ weeks, which would leave little scope for further additions; and, in most cases, meetings could be rescheduled only if other meetings of similar size were also rescheduled.

8. Since the United Nations Conference to Negotiate an International Arrangement to Replace the International Wheat Agreement, 1971, as extended, had been unable to complete its work, it had requested its Chairman to take the necessary measures to convene an Interim Committee to prepare a draft arrangement; it had also requested the Secretary-General of UNCTAD to reconvene the Conference by September 1978 in the light of a recommendation to be made by the Interim Committee

not later than the end of July 1975. Following his consultations, the Chairman of the Conference had requested that the first meeting of the Interim Committee should be convened at Geneva from 1 to 5 May 1975, and had proposed that a second meeting of the Committee should be held in Geneva from 26 May to 6 June 1975. The second meeting would involve ministers, since the Interim Committee would be expected to make definitive available for the Interim Committee, and the Trade and Development Board might therefore wish to approve that proposal. The financial implications for the meetings of the Interim Committee had been based on a possible five weeks of meetings. It was therefore suggested that a further letter should be sent to the Secretary-General of UNCTAD, which should take a decision in principle. With regard to the Conference itself, the Secretary-General of UNCTAD proposed that it should be scheduled tentatively from 11 to 29 November 1975 at Geneva, on the understanding that the date could be confirmed in the light of the recommendation by the Interim Committee.

9. With regard to the calendar of meetings under the Integrated Programme for Commodities, the preparatory meetings on cotton (2-6 June) and meat (16-20 June) were to be postponed. The reference to the meeting on cotton in the revised calendar of meetings (TD/B/INF.98, annex II) should therefore be deleted; the meeting on meat did not appear in the calendar since its postponement had already been known at the time when the Board at its seventh session.

10. Should a decision to convene the United Nations Negotiating Conference on a Common Fund under the Integrated Programme for Commodities subsequently make it necessary to reschedule some meetings, the Secretary-General of UNCTAD would use the consultation machinery established in Board decisions 140 (XVI) and 143 (XVI) before deciding on such changes.

11. Mr. SUNTZ-STRUBIAKS (Poland), speaking on behalf of the Group of 77, proposed that the ninth session of the Committee on Manufactures, which was scheduled for 19 May to 6 June 1975, should be postponed until the end of the year, in order to await the conclusion of the work of the Co-ordination Committee of the Group of 77 for the Multilateral Trade Negotiations, which was to continue until July.

12. Mr. FEVRE (France), speaking on behalf of Group B, said that the Group B countries endorsed the calendar of meetings for 1975 with the proposed changes. With regard to the proposal of the Group of 77 that the ninth session of the Committee on Manufactures should be postponed, the Group B countries would give a final answer at the next meeting, after consultations.

13. Mr. IVANOV (Union of Soviet Socialist Republics), speaking on behalf of the Group D countries, said that those countries wished to make an observation with regard to the meeting of the Group of high-level experts on finance for development: multilateral insurance and reinsurance of investment and guarantee powers of international financial institutions (TD/B/L.492, paragraph 2 (e)). When the General Assembly had decided on the meeting (resolution 32/177), the Group D countries had made a joint declaration in which they had expressed some

reservations on the grounds that the objectives of the meeting were contrary to the interests of the developing countries, since they related to the protection of foreign private capital and the activities of transnational corporations in the developing countries. The reservations made by the Group D countries in the General Assembly still applied.

14. With regard to the proposal by the Group of 77 for postponing the session of the Committee on Manufactures, the Group D countries would like to hold consultations before giving a final answer.

15. The PRESIDENT suggested that a decision on the proposal by the Group of 77 concerning the calendar of meetings should be deferred until the following meeting.

16. It was so decided.

(b) RATIONALIZATION OF THE STRUCTURE OF THE PERMANENT MACHINERY OF UNCTAD (TD/B/L.497)

17. The PRESIDENT said that, pursuant to Board decisions 162 (XVII) and 163 (XVII), the Secretary-General of UNCTAD had held consultations with co-ordinators of regional groups on the terms of reference of the Committee on Shipping and on the rationalization of the structure of the permanent machinery of UNCTAD. At those consultations, it had been agreed that consideration of those questions should be deferred in order to allow delegations more time for consultation and reflection. He therefore proposed that the Board should defer until its eighteenth regular session its decision on the terms of reference of the Committee on Shipping and its consideration of the question of the rationalization of the permanent machinery, and that it should invite the Secretary-General of UNCTAD to provide regional groups with further clarification on those issues should the groups consider that necessary.

18. It was so decided.

OTHER BUSINESS (agenda item 8):

REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN 1980-1983 (TD/B(XVII)/WP/L.1 and Add.1-10)

19. The PRESIDENT proposed that consideration of the report, which was still to be circulated and discussed in consultations, should be deferred until the following meeting.

20. It was so decided.

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATED TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY BODIES (agenda item 5) (continued)

(e) COMMODITY ISSUES

Tungsten (TD/B/693; TD/B/C.1/TUNGSTEN/26)

21. Mr. ALIYARISCHIYA (Thailand), Chairman of the Committee on Tungsten, introduces the report of the Committee on its eleventh special session, which had been devoted mainly to the consideration of the report of the Ad Hoc Intergovernmental Group of Experts on Tungsten to examine the stabilization of the world tungsten market. Within the Group of Experts, no agreement had been reached between tungsten producers and consumers on methods of stabilization. Three views had been put forward: a majority of experts from consuming countries had recommended that the Board should appoint a group for the drafting of a charter for a producer/consumer consultative body; experts from most producing countries and some consuming countries had recommended that the Board should request the Secretary-General of UNCTAD to convene a negotiating conference with the objective of formulating a mutually acceptable international arrangement; the expert from a major producing country had recommended that the Board should request the Secretary-General of UNCTAD to convene a new group to prepare draft articles for a framework agreement for consideration by Governments.

22. At its eleventh special session, the Committee on Tungsten had merely taken note of the report of the Ad Hoc Intergovernmental Group of Experts and decided to transmit its conclusions and recommendations to the Board.

23. It was regrettable that neither the Group of Experts nor the Committee had been able to make a unanimous recommendation to the Board. He hoped that a solution satisfactory to all might finally be found, since the principal interested Governments had had more time for reflection since the Committee's session. However, if a solution were to emerge during the present session of the Board, it would require urgent consultations.

24. The PRESIDENT proposed that a decision on tungsten should be deferred until the following meeting, in order to give delegations time to study the three positions outlined by the Chairman of the Committee on Tungsten.

25. It was so decided.

The meeting rose at 1.15 p.m.

Distr.
GENERAL

TD/B/SR.496
7 April 1978

United Nations Conference on Trade and Development

Original: ENGLISH

TRADE AID DEVELOPMENT BOARD

Seventeenth Session (Second Part)

SUMMARY RECORD OF THE 496th MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 4 April 1978, at 2.15 p.m.

President: Mr. de ALWIS (Sri Lanka)

CONTENTS

Other business (agenda item 8) (continued):

Report of the Working Party on the medium-term plan 1980-1983

Matters requiring action by the Board arising from or related to reports and activities of its subsidiary and other bodies (agenda item 5) (continued):

(a) Commodity trade: Tungsten (continued)

Institutional, organizational, administrative and related matters (agenda item 7) (continued):

(b) Review of the calendar of meetings (continued)

Adoption of the report of the Board to the General Assembly (agenda item 9)

Closure of the session

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Corrections to the records of the meetings of the Board at the second part of the seventeenth session will be consolidated in a single corrigendum to be issued shortly after the end of that part of the session.

GE.78-64093

OTHER BUSINESS (agenda item 8) (continued):

REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN 1980-1983
(TD/B/(XVII)/WP/L.1 and Add.1-10, TD/B/L. 503 and Add.1)

1. Mr. JARAMILLO (Colombia), Chairman of the Working Party, said that it would be recalled that the Board had decided that the composition of the Working Party of the Board for its seventeenth session would be the same as it had been for the sixteenth session, on the understanding that substitutions would be permissible within the group of 19 members. The Board had also ruled that the Working Party would be open to all interested delegations and that it would elect its Chairman and Vice-Chairman/Rapporteur from among its members.

2. At the first meeting of the Working Party, he himself had been elected Chairman and Mr. B. Kwaśniewski (Poland) had been elected Vice-Chairman/Rapporteur.

3. The Board had previously decided that the Working Party should meet annually to consider, in alternate years, the programme budget and the medium-term plan of UNCTAD. Consequently, in the current year, the Working Party had considered the medium-term plan 1980-1983 (TD/B/691 and Corr.1).

4. The Working Party had met from 21 March to 3 April, and held eight meetings and had examined the following specific UNCTAD programmes: money, finance and development; commodities; manufactures and semi-manufactures; shipping, ports and multi-modal transport; transfer of technology; economic co-operation among developing countries; trade among countries having different economic and social systems; least developed, land-locked and island developing countries; insurance; and trade facilitation.

5. In every case, a preliminary statement by the senior member of the secretariat responsible for the programme in question had been followed by a series of questions and answers and then a discussion in a spirit of constructive criticism. At the end of the discussion on each individual programme, the spokesmen of the Group of 77, Group B, Group D and China had made general statements, all of which were reproduced in extenso in the Working Party's report (TD/B(XVII)/WP/L.1 and Add.1-10). The amendments adopted by the Working Party to its report were to be found in document TD/B/L.503, which also contained two additional paragraphs that constituted the final part of the report. Document TD/B/L.503/Add.1 contained the texts of the statements made at the Working Party's seventh meeting, at the conclusion of the consideration of the medium-term plan.

6. Mr. BRILLANTES (Philippines) said that he had been struck by several passages in the statement by the Deputy Secretary-General of UNCTAD (TD/B/L.503/Add.1, p. 9). In paragraph 7 of that statement, the Deputy Secretary-General had drawn attention to the lack of clarity regarding the role of bodies such as the Trade and Development Board and the Industrial Development Board in the medium-term planning exercise, since there were no references to those bodies in the instructions received from Headquarters.

7. In the circumstances, he formally proposed that the Board should take a decision that it was fully competent to participate in the medium-term planning of activities within the terms of reference of UNCTAD.

8. He had noted with satisfaction the observation in paragraph 5 of the Deputy Secretary-General's statement that "The planning exercise may well benefit from a greater involvement of Government representatives with specialized knowledge". It was unfortunate, therefore, that, of the 10 specific programmes considered by the Working Party, only one - concerning economic co-operation among developing countries - had been prepared with the co-operation of the relevant committee. All the other parts of the medium-term plan had been prepared without the approval - and very possibly even without the knowledge - of the relevant committees. He recalled, in that connexion, that the powers of the Secretary-General of UNCTAD had been widened to enable him to hold informal inter-group consultations on pending matters. There could thus be no difficulty in consulting the member Governments of UNCTAD with respect to the preparation of the medium-term plan, which was the concern not only of the secretariat but of the member Governments as well. While it would certainly be difficult to arrange for consultations on the preparation of the budget, approval of the medium-term plan did not involve the appropriation of financial resources.

9. All in all, it would be useful for the Board to express its view that, in the future preparation of medium-term plans, consultations with member Governments should be held by the Secretary-General of UNCTAD or, on his behalf, by the Director concerned with each specific programme.

10. The PRESIDENT, referring to the second point made by the representative of the Philippines, said that it would undoubtedly be in the interests of UNCTAD for such consultations to be held. It appeared that that was the consensus view of the Board as a whole, a fact which the secretariat would certainly note.

11. Mr. ZOZOV (Union of Soviet Socialist Republics), speaking on behalf of Group D, said that, as they had already stated in the Working Party, the Group D countries regarded the proposals and recommendations made by the Secretary-General of the conference in document TD/B/591 as no more than a first step towards the definition of the main measures to be taken by UNCTAD in 1980-1983. Regrettably, the serious delay in the submission of the document by the Secretary-General and the failure to hold the planned consultations had prevented Governments from studying the proposals and recommendations in depth and that situation was inevitably reflected in the results of the Working Party's efforts. The Working Party had attempted to compare the Secretary-General's suggestions with the decisions taken by States at sessions of the Conference and the Board, and the Group D countries regarded those efforts as a joint search for the most effective ways and means of carrying out UNCTAD's basic functions of promoting all international trade flows and solving trade-related development problems. They had striven in the Working Party to contribute to the elaboration of an optimum version of the medium-term plan, and they continued to believe, in view of the nature of the Secretary-General's suggestions and the situation and period to which they referred, that those suggestions should be amended to take into account the constructive and concrete proposals which the Group D countries and other countries had put forward in the Working Party. The Group D countries

also considered that the Secretary-General should, in his further efforts to improve the medium term plan 1980-1985, take special care to ensure that proposals for a programme of work and for action to implement those proposals were based on the principle of the universality of UNCTAD, and that UNCTAD's activities would therefore contribute in increasing measure to the normalization and expansion of international trade relations, to the development of trade between all countries, especially countries - including Eastern and Western countries - with different social and economic systems, to the elimination of discrimination, protectionism and other barriers to international trade, and to the prevention of any new restrictions on such trade.

13. In view of the importance and complexity of the fundamental tasks of UNCTAD, constant attention must be paid to ways of increasing its efficiency. One of the principal ways of achieving that objective was to eliminate duplication between departments of the UNCTAD secretariat and between UNCTAD and other organizations. In that connexion, he re-emphasized the urgent need to improve the machinery both for internal co-ordination within the secretariat, i.e. between its various departments, and for external co-ordination with other organizations in the United Nations system. Greater economy in the running of the secretariat was also essential.

13. The Group B countries had been gratified to note that, during the consideration of document TD/B/691, a spirit of mutual understanding and support had continued to prevail, between themselves and the delegations of countries of the Group of 77, with respect to many of the key and fundamental aspects of UNCTAD's activities. That co-operation augured well for the success of the Working Party's efforts, provided that the Secretary-General took due account of its recommendations in drafting the final text of the medium-term plan.

14. Mr. ALLEN (United States of America) said that, since the representatives of Group B in the Working Party had endorsed the need for consultation in the preparation of the medium-term plan, Group B was able to support the proposal of the Philippines concerning such consultations. Nevertheless, he had some difficulty with the proposal that the individual committees should be able to look at the relevant portions of the medium-term plan, since that hardly seemed feasible in the light of the schedule for the committees' sessions.

15. With respect to the proposal that a declaration be made regarding the competence of the Board to participate in the medium-term plan exercise, he felt that such a declaration had in fact already been made in Board decision 156 (XVII), which had established the Working Party to consider the medium-term plan, make comments thereon and forward them to the appropriate authorities at Headquarters. That decision was surely tantamount to a declaration by the Board that it was competent to review the medium-term plan.

16. Mr. BRILLANTES (Philippines) said that, if that were so, he wondered why the Deputy Secretary-General should have stated that there was a lack of clarity regarding the role of bodies such as the Trade and Development Board in the medium-term plan exercise.

17. Mr. ROSSEN (Deputy Secretary-General of UNCTAD) said that, in his closing statement to the Working Party, he had addressed himself primarily to the question of consultation during the process of plan formulation, and had not overlooked the fact that the Board had decided to consider the medium-term plan through the intermediary of its Working Party.

18. The lack of clarity with regard to the involvement of Government representatives in the process of plan formulation arose from the fact that the medium-term plan was a global exercise. In his statement, he had also tried to point out that the medium-term plan differed from the programme budget, and that constraints existing in the case of the latter did not apply to the former.

19. While the secretariat was certainly prepared to arrange meaningful consultations with member Governments, he thought that it would be necessary to enter into discussions with the secretariat at Headquarters to see how the consultations with Government representatives during the process of plan formulation could best be fitted into the global exercise.

20. The PRESIDENT said that, if no board had no objection, he would assume that the Board wished to take note of the UNCTAD medium-term plan for 1980-1983 (TD/B/691 and Corr.1) and of the report of its Working Party on the medium-term plan (TD/B(XVII)/WP/L.1 and Add.1-10 and TD/B/L.493 and Add.1).

21. It was so decided.

22. The PRESIDENT said that the Board might also wish to request the Secretary-General of UNCTAD to transmit the report, together with the comments thereon, to the appropriate United Nations bodies for their consideration.

23. It was so decided.

MATTERS REQUIRING ACTION BY THE BOARD ARISING FROM OR RELATING TO REPORTS AND ACTIVITIES OF ITS SUBSIDIARY AND OTHER BODIES (agenda item 5) (continued):

(a) COMMODITY TRADE: TUNGSTEN (TD/B/493)

24. The PRESIDENT said that, after prolonged informal discussions, a compromise text had been arrived at for the Board's decision regarding the report of the Committee on Tungsten (TD/B/493). The text read as follows:

> "The Trade and Development Board decides in the light of the report of the eleventh (special) session of the Committee on Tungsten to request the Secretary-General of UNCTAD to convene a Preparatory Working Group to further examine and assess proposals for the stabilization of the world tungsten market.

"Towards this end the Trade and Development Board requests the Secretary-General of UNCTAD to convene a negotiating conference or to take the necessary steps for the establishment of any appropriate forum on tungsten, provided that upon the completion of the preparatory work, if possible, by the end of 1973, producer and consumer member Governments agree that an adequate basis exists for such action and that a successful outcome could reasonably be expected."

25. He took it that the text was acceptable to the Board.

26. Mr. GLENN (Australia) said that, in view of all the discussions of the past 13 years on possible stabilization measures for the international tungsten market, and because his delegation had hoped that agreement would be reached at the current session on the organization of a negotiating conference on tungsten, it could not fail to express its disappointment at the outcome of the most recent deliberations. However, in view of the importance attached to the consensus procedure, it was prepared to endorse the text of the draft decision. It had nevertheless been requested by the delegations of most of the producing countries to express reservations concerning the phrase "or to take the necessary steps for the establishment of any appropriate forum on tungsten". His delegation's endorsement of the draft decision in no way meant that it had relinquished its view that a negotiating conference should be convened in order to devise an agreement aimed at stabilizing the tungsten market.

27. Mr. STREEB (United States of America) said that his delegation endorsed the compromise text, and was prepared to consider questions relating to tungsten and possible stabilization measures in the working group provided for in that text. Although all delegations had agreed that there was instability in the tungsten market, there was little agreement on the means of dealing with that instability. His delegation therefore wished to place on record the following statement of reservation:

"The current producer proposal has already been extensively examined in the Committee on Tungsten and by the Group of Experts. We have concluded that it is not a feasible or desirable proposal. Therefore, we will not participate in further review of the proposal in the working group. We also have fundamental problems with the Canadian proposal because of its open-ended nature and the possible inclusion of binding economic provisions at a later date. We continue to believe that the proposal submitted by five consuming countries for a producer/consumer forum has great merit. We hope producers and consumers will give it further review and favourable consideration in the working group."

28. Mr. LI (China) said that his delegation had always supported the conclusion of an international agreement on tungsten through negotiation, and had rejected the replacement of such an agreement by any so-called consultative forum. Although tungsten was not included in the Integrated Programme for Commodities, the solution to the question of tungsten as a primary product should, in his delegation's opinion, be in conformity with the principles for the solution of questions of primary products, as provided for in the Declaration on the Establishment of a New International Economic Order and the Programme of Action adopted at the sixth special session of the General Assembly, and also with the objectives of the Integrated Programme for Commodities as contained in Conference resolution 93(IV). The considerable work undertaken by the UNCTAD Committee on Tungsten, and also by the tungsten-producing countries, provided a good basis for the negotiation of an international agreement on tungsten. It was now time to negotiate such an agreement, and the Board's deliberations at the current session should have been aimed at deciding on the convening of a negotiating conference on tungsten. The establishment of a forum as provided for in the second paragraph of the draft decision might have the effect of undermining and postponing the necessary negotiations.

29. Mr. CABALLERO-TAMAYO (Bolivia) said that his delegation's views were largely similar to those expressed by the delegations of Australia and China. The instability of the tungsten market was particularly disturbing for his own country, in whose economy mineral production was of fundamental importance. In a spirit of compromise, his delegation had endorsed the inclusion in the draft decision of the reference to a forum on tungsten. It nevertheless hoped that that reference would not mean that the views expressed by almost all the producing countries and by several consuming countries in the Group of Experts would be given the same weight as those expressed by a minority in that Group.

30. Mr. FORAN (Chief, Office of Administration), in a statement on the financial implications of the draft decision, said that the preparatory working group, the negotiating conference and the appropriate forum on tungsten referred to in the draft decision were not provided for in the existing calendar of meetings. The estimated cost of a preparatory working group was $102,000, a figure which had been calculated on the basis of two one-week sessions requiring one team of interpreters for five languages, 40 pages of documentation for the first session and 160 pages for the second. The financial implications of the first session were $30,000 and those of the second were $72,000.

31. The estimated cost of a negotiating conference was $298,000, which was based on a four-week session requiring two teams of interpreters for five languages and one team of interpreters for three languages, and 310 pages of documentation.

32. If the Secretary-General of UNCTAD were to take the necessary steps for the establishment of an appropriate forum on tungsten, the estimated cost would be $30,000, based on a one-week session requiring one team of interpreters for five languages and 40 pages of documentation.

33. Mr. CACERES (Mexico) said that his delegation wished to associate itself with the reservations expressed by the delegations of Australia, China and Bolivia concerning the establishment of a forum. In its opinion, a negotiating conference was necessary in order to reach an agreement acceptable to all the parties concerned. It agreed with the Bolivian delegation that the Secretary-General of UNCTAD should take account of the majority view expressed by the producing countries and members of the Group of 77 that a negotiating conference should be held.

34. Mr. ARIYAPRUCHYA (Thailand) expressed his delegation's disappointment at the outcome of the discussions at the current session. In a spirit of compromise it had endorsed the draft decision, but regretted that after so many years of discussion it had not proved possible to reach agreement on the convening of a negotiating conference. His delegation wished to associate itself with the reservation expressed by the Australian delegation.

35. Mr. STREEB (United States of America) expressed alarm concerning the financial implications of the draft decision and the paperwork which it might generate. The documentation threatened to be extensive enough to fill the ten ore-carriers that were needed to transport all the tungsten traded in the world, and the cost might exceed the value of the total world trade in tungsten.

36. The PRESIDENT said that if there was no objection, he would take it that the Board wished to adopt the draft decision, subject to the reservations which had been expressed.

37. It was so decided.

38. Mr. LALOUX (Belgium) said that his delegation wished to draw attention to the unsatisfactory wording of the beginning of the second paragraph of the decision: the words "Towards this end" were unclear and misleading. His delegation had nevertheless endorsed the compromise text in order to facilitate its adoption by consensus, and in view of the lateness of the hour.

INSTITUTIONAL, ORGANIZATIONAL, ADMINISTRATIVE AND RELATED MATTERS (agenda item 7) (continued):

(f) REVIEW OF THE CALENDAR OF MEETINGS (TD/B/L.502 and Add.1) (continued)

39. Mr. STORDEL (Deputy Director and Officer-in-Charge of the Manufactures Division), said that before the Board took a decision concerning the postponement of the ninth session of the Committee on Manufactures, it might wish to take some action concerning two items on the agenda for that session. Those two items were "Restrictive business practices" and "Trade and industrial co-operation between the developed and the developing countries".

40. With regard to the former item, it would be recalled that the Board, at its seventeenth session, had taken note of the recommendation of the Committee on Manufactures that the Board should, in the light of the final report of the Third Ad hoc Group of Experts on Restrictive Business Practices, take appropriate action concerning institutional arrangements with regard to the negotiations of multilaterally-agreed equitable principles and rules for the control of restrictive business practices. In that connexion, the Board would be aware that the Group of Experts was currently holding its fourth session and that its fifth session was now scheduled for 16-21 July 1979. The apparent intention of the Committee on Manufactures had been that the Group of Experts should complete its work by its fifth session and report to the Committee at its ninth session, in order to enable the Board at its eighteenth session to take the recommended action.

41. With regard to the item "Trade and industrial co-operation between the developed and the developing countries", the Officer-in-Charge of the Manufactures Division said that the secretariats of UNCTAD and UNIDO had agreed to propose that a joint UNCTAD/UNIDO expert group on trade and related aspects of industrial collaboration should be established. According to the agreement, the proposal was to be made to the Industrial Development Board at its session in May 1979 and to the Committee on Manufactures at its ninth session. In view of the postponement of the latter's session and in order to have the expert group established as soon as possible, one solution might therefore be to refer the matter to the Trade and Development Board at the first part of its eighteenth session for action.

42. The PRESIDENT said that, in view of the consensus reached by the secretariats of UNCTAD and UNIDO, it would seem desirable to establish the expert group on industrial collaboration arrangements as soon as possible. It was therefore suggested that item 4 (b)(iii) of the agenda for the ninth session of the Committee on Manufactures - "Trade and industrial co-operation between the developed and the developing countries" - under which the proposal to set up the expert group had been made, should be considered instead by the Board at the first part of its eighteenth session. If there were no objection, he would take it that the Board wished to accept that suggestion.

43. It was so decided.

44. With regard to the item "Restrictive business practices", the PRESIDENT said that if there were no objection, he would take it that the Board wished to request the Third Ad hoc Group of Experts on Restrictive Business Practices to submit its report on the third, fourth and fifth sessions to the Board at the first part of its eighteenth session, thereby enabling the Board to take appropriate action concerning the institutional arrangements for the negotiations of the principles and rules for the control of restrictive business practices.

45. It was so decided.

46. The PRESIDENT, referring to the Board's decision concerning tungsten, said he had been informed that it would be possible for the first session of the preparatory working group on tungsten to be held from 5 to 9 June 1978. The Board might wish to make provision in the calendar of meetings for 1978 for a further one week session of the preparatory group, in order to enable the Secretary-General to schedule such a session if it should be required.

47. The ninth session of the Committee on Manufactures had now been tentatively scheduled for 13-24 November 1978.

48. The Board should take note of the financial implications summarized in document TD/B/L.502/Add.1 and decide whether it approved the changes in the calendar of meetings for 1978 as outlined in document TD/B/L.502, taking into account the additional information provided by the Deputy Secretary-General concerning the resumption of the United Nations Conference to Negotiate an International Arrangement to Replace the International Wheat Agreement, 1971, as extended, and also the new dates for the ninth session of the Committee on Manufactures and the dates for the preparatory working group on tungsten.

49. If there were no objection, he would take it that the Board approved the changes in the calendar of meetings indicated in document TD/B/L.502, together with the amendments he had just mentioned.

50. It was so decided.

ADOPTION OF THE REPORT OF THE BOARD TO THE GENERAL ASSEMBLY (agenda item 9)

51. The PRESIDENT said that the Board's report on the second part of its seventeenth session would form part of its fourteenth annual report to the General Assembly at the thirty-second session.

52. Since the Board had met in resumed session for one day only, it might wish to authorize its report to be completed in the usual manner after the closure of the session.

53. If there were no objection, he would take it that the Board agreed to that suggestion.

54. It was so decided.

CLOSURE OF THE SESSION

55. The PRESIDENT declared closed the second part of the seventeenth session of the Board.

The meeting rose at 9.30 p.m.

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SR.497
31 August 1973

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 497th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 29 August 1973, at 10.30 a.m.

President: Mr. KHAN (Pakistan)

later: Mr. CASTELLANOS (Venezuela)

CONTENTS

Opening of the session

Procedural matters

(a) Election of officers

Tribute to the memory of Jomo Kenyatta, President of Kenya

Statement by the President

Procedural matters (resumed)

(a) Election of officers (resumed)

(b) Adoption of the agenda and organization of the work of the session

(d) Establishment of the Working Party of the Trade and Development Board on the UNCTAD programme budget and the medium-term plan

Announcement of any changes in the membership of the Board and election to membership of the main Committees

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.73-63515

The meeting was called to order at 11.15 a.m.

OPENING OF THE SESSION

1. The TEMPORARY PRESIDENT declared open the eighteenth session of the Trade and Development Board.

PROCEDURAL MATTERS (item 1 of the provisional agenda)

(a) ELECTION OF OFFICERS

Election of the President

2. The TEMPORARY PRESIDENT invited the Board, in pursuance of rule 18 of the rules of procedure, to elect the President of the eighteenth session from among the representatives of the countries listed in Part C of the annex to General Assembly resolution 1995 (XIX), in accordance with the rotation of the office of President provided for in rule 19, paragraph 2, of the rules of procedure and annex I to the rules.

3. Mrs. AUGUSTE (Trinidad and Tobago), speaking on behalf of the Group of 77, nominated Mr. Castellanos (Venezuela).

4. Mr. MATTHIAS (Federal Republic of Germany), speaking on behalf of Group B, and Mr. ZAPOTOCKY (Czechoslovakia), on behalf of Group D, supported the nomination.

5. Mr. Castellanos (Venezuela) was elected President by acclamation and took the Chair.

TRIBUTE TO THE MEMORY OF JOMO KENYATTA, PRESIDENT OF KENYA

6. The PRESIDENT paid a brief tribute to the memory of President Kenyatta, describing him as a towering figure of African nationalism who had suffered long years of imprisonment for his beliefs but had emerged to lead his people to independence and to preside over Kenya in a spirit of magnanimity and reconciliation.

7. On the proposal of the President, the members of the Board observed a minute of silence in tribute to the memory of Jomo Kenyatta, President of Kenya.

STATEMENT BY THE PRESIDENT

8. The PRESIDENT, after thanking the Board for the honour conferred on his country by electing him to preside over the eighteenth session, went on to say that if the world was to recover from its current structural crisis and advance towards the New International Economic Order, it could do so only through the will and the co-operation of all countries. The opening agenda item dealt with the interdependence of problems of trade, development finance and the international monetary system: nations and problems were interlinked, and the responsibility for action must be shared by all. The current structural crisis required the

restructuring of economies, particularly those dynamic economies around which the world's economic system revolved. A world approach to trade, including trade relations between countries with different economic and social systems, would benefit everyone.

9. The key item on the agenda was undoubtedly the fifth session of the United Nations Conference on Trade and Development, which would provide an opportunity for reviewing past progress and formulating future action while taking a wider view of problems than has become customary.

10. Since the middle of the 1970s, stagnation in international trade had been accompanied by high rates of unemployment and inflation which had markedly aggravated the development problems of two-thirds of mankind. Thought must be given to the interrelationship between trade and development, and to the question whether the existing development models, combined with the present trade structure, were not calculated to impair rather than improve the quality of life. By imitating the life styles of rich countries, poor countries might well be putting themselves in a situation incompatible with achieving greater equality and making the best use of their limited resources for the welfare of their peoples. Development linked to an unbridled consumer outlook was not the right model for developing countries nor the wisest one for the industrialized countries themselves.

11. Decisions by the Board on the reports and activities of its subsidiary bodies were of particular importance since they were related to the main agenda items for the fifth session of UNCTAD. The Board must reduce the delay in achieving fruitful work on the Integrated Programme for Commodities, which was a key element in the establishment of the new International Economic Order. It was regrettable that in the case of manufactures and semi-manufactures, substantive work on access to markets had to await the outcome of negotiations in other forums. It was a matter of regret also that negotiations of such importance to the international economy had been conducted among very few countries and that there had been notable departures from the programme basis adopted at the ministerial level in 1975 and to apply laws and fair rules rather than adapt them to the special circumstances of developing countries. Substantial changes were required in trade relations to take account of development problems, and in that connexion a frank discussion on protectionism, one of the agenda items suggested for the forthcoming Conference, was essential.

12. Another major problem, which had not been given the attention it deserved, was inflation, an aspect of financing which had led the late President Kenyatta to state rightly at the fourth session of the Conference that the flows and balances of development aid must serve to bridge the gaps which outraged social justice and bedevilled mankind with constant threats of insecurity.

13. Economic co-operation among developing countries had made considerable advances in theory: many regional and sub-regional schemes had been devised and conferences had increased the contacts between developing countries at world level. The time had come to formulate and implement specific policies of co-operation, and it was to be hoped that the forthcoming Arusha Conference would open up a new era in which co-operation among developing countries became one of the pillars of individual and collective self-reliance. However, such economic co-operation could not be the sole responsibility of the third world countries: it must be shared by the entire international community.

14. A group particularly seriously affected by the world economic situation was that of the least developed, island and land-locked developing countries. In accordance with the spirit of the Arusha Declaration, they required special action programmes designed to solve their peculiar short-term and long-term problems, funded by public development assistance and including measures relating to trade policy, transfer of technology and broad economic co-operation. Island developing countries required increased assistance with port and warehousing facilities and the development of their marine resources; air fares should also be intensified to lift restrictions on their shipping. Land-locked countries too required increased assistance to improve regional and sub-regional co-operation on transit arrangements, including technical and financial assistance with installations and transport costs, to be provided by the United Nations Special Fund for Land-Locked Developing Countries.

15. In view of the great increases in military expenditure, it was impossible to deny the close interrelationship between development and disarmament: the constant drain of resources for arms had been an important factor in bringing about the current crisis. The time had come to implement article 26 of the Charter of the Economic Rights and Duties of States: the great Powers should not only convert their war industries into industries for peace and development, they should also allocate to development assistance at least 10 per cent of the resources at present devoted to maintaining the balance of terror.

16. The dissemination of information and the mobilization of public opinion should be directed towards encouraging in the industrialized world a greater awareness of the problems of trade and development and the dangers threatening mankind if an outmoded international order was maintained.

17. Faced with the current structural crisis in the world economy, UNCTAD must demonstrate its ability to exercise its negotiating role which had been enhanced in the context of the north-south dialogue by the action of the General Assembly in setting up the Committee of the Whole. All proliferation of small forums, which reduced the effectiveness of negotiations and held them up unnecessarily, must be avoided.

18. The present instability in the world economic order, of which the currency problem and protectionism were two of the elements of greatest concern to developing countries, also had multiplier effects on the industrialized centres through interdependence. There must be a change in the seemingly growing tendency to keep developing countries in the background while basic decisions affecting the

entire international community were taken by small exclusive groups. The fact that such decisions were rarely implemented was one of the reasons why the world economy had not settled down on a firmer basis. Further deterioration could be avoided only by concerted action in the appropriate United Nations bodies with all nations assuming their responsibilities.

PROCEDURAL MATTERS (agenda item 1)(resumed)

(a) ELECTION OF OFFICERS (resumed)

Election of the Rapporteur

19. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, nominated Mr. Kaseur (Iran).

20. Mr. Kaseur (Iran) was elected Rapporteur by acclamation.

Election of Vice-Presidents

21. Mr. MATTHIAS (Federal Republic of Germany), speaking on behalf of Group B, nominated Mr. Jay (Canada), Mr. Meissner (United States of America), Mr. Tarovsky (Austria) and Mr. Matthias (Federal Republic of Germany).

22. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, nominated Mr. Adeniji (Nigeria), Mr. Terrefe (Ethiopia), Mr. Xuto (Thailand) and Mr. Trucco (Chile).

23. Mr. ZAPOTOCKY, speaking on behalf of Group D, nominated Mr. Penkine (Union of Soviet Socialist Republics) and Mr. Ruzek (Czechoslovakia).

24. Mr. Jay (Canada), Mr. Meissner (United States of America), Mr. Tarovsky (Austria), Mr. Matthias (Federal Republic of Germany), Mr. Adeniji (Nigeria), Mr. Terrefe (Ethiopia), Mr. Xuto (Thailand), Mr. Trucco (Chile), Mr. Penkine (Union of Soviet Socialist Republics) and Mr. Ruzek (Czechoslovakia) were elected Vice-Presidents by acclamation.

(b) ADOPTION OF THE AGENDA AND ORGANIZATION OF THE WORK OF THE SESSION (TD/B/709 and Add. 1 and 2)

25. The PRESIDENT proposed that the Board should adopt the provisional agenda as approved during the first part of the seventeenth session, together with the sub-items included by the President of the Board in consultation with the Secretary-General of UNCTAD.

26. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, said that his Group would like the question of negotiations on copper under item 5 (a) to be a separate sub-item for discussion. It would be remembered that at the end of the Fourth Preparatory Meeting on Copper, held at Geneva in July, delegations of 17 countries had proposed that the Secretary-General of UNCTAD should be asked to convene a fifth preparatory meeting on 21-25 August. Since it had not been possible to hold that meeting, the important proposals made at the Board's previous session should be discussed at its current session, before the Fifth Preparatory Meeting. Appropriate machinery should be set up for such discussion.

27. The PRESIDENT said that due note would be taken of the proposal.

28. Mr. HAFNIAN (Federal Republic of Germany), speaking on behalf of Group B, said that his Group reserved its position, since it had not yet considered the matter.

29. Subject to the above reservations, the provisional agenda was adopted.

30. The PRESIDENT said that if the Board had no objection, the two sessional committees referred to in paragraph 1 of document TD/B/709/Add.2 would be convened. The question of copper would be discussed as a separate topic under item 5(a).

31. It was so decided.

32. The PRESIDENT said that if the Board had no objection, a Working Group, open to all delegations, with the terms of reference set forth in paragraph 5 of document TD/B/709/Add.2, would be established.

33. It was so decided.

34. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, and referring to the proposal in paragraph 5 of document TD/B/709/Add.2 for immediate discussion of a number of sub-items, said that his Group had not yet had time to consult on the matter and would prefer consideration to be deferred until the next meeting.

35. It was so decided.

36. The PRESIDENT, referring to the tentative time-table of meetings in paragraph 6 of document TD/B/709/Add.2, said that the Board might wish to give broad endorsement to the proposed allocation of items; it would be quite free to adjust the order of work later in the light of developments.

37. It was so agreed.

(d) ESTABLISHMENT OF THE WORKING PARTY OF THE TRADE AID DEVELOPMENT BOARD ON THE UNCTAD PROGRAMME BUDGET AND THE MEDIUM-TERM PLAN (TD/B/709)

38. The PRESIDENT said that if the Board had no objection, the composition of the Working Party on the medium-term plan 1980-1983 would remain unchanged on the understanding that substitution in membership would be possible and that it would be open to all interested delegations. The term of office of members would in future be extended to cover the subsequent regular session, so that the membership would remain the same for the consideration of the medium-term plan and the related programme budget for the first biennium of the plan, and the 19 members of the Working Party would continue in office to consider in 1979 the UNCTAD programme budget for 1980-1981.

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SR.493
5 September 1970

ENGLISH
Original: FRENCH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 493RD MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 25 August 1970, at 3 p.m.

Chairman: Mr. CASTELLANOS (Venezuela)

CONTENTS

Introductory statement by the Secretary-General of UNCTAD

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E. 4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.70-68524

The meeting was called to order at 3.30 p.m.

INTRODUCTORY STATEMENT BY THE SECRETARY-GENERAL OF UNCTAD

1. Mr. COREA (Secretary-General of UNCTAD) said that the eighteenth session of the Board was particularly important because one of the items on the agenda related to the fifth session of the Conference (UNCTAD V), and the Board's recommendations on the provisional agenda and organization would more or less determine the shape of UNCTAD V. He would, therefore, dwell on that subject and certain related issues.

2. For some time, intensive negotiations on a number of subjects had been taking place in UNCTAD. They resulted from UNCTAD's efforts to move towards the realization, through specific action, of broad objectives concerning the establishment of a new international economic order. A major negotiating process had been launched at UNCTAD IV. In his report to the Nairobi Conference he had drawn attention to the principal areas in which there was a need for new structures and new directions, including trade in primary products, manufactures and technology, money and finance, trade and other exchanges with the socialist countries and, particularly, economic co-operation among the developing countries. Those questions still remained crucial. They had all been examined at the fourth session when major decisions had been taken on some of them. It was necessary, therefore, to assess action that had been taken and to build on what might still be achieved. Hence UNCTAD V could not be viewed in isolation; rather, it must be seen as a further stage following UNCTAD IV, with the essential difference that it must look at the fundamental issues of new international relationships in the context of the new developments, concerns and perceptions that had since emerged. That would give it its unique character and its special opportunity. The new concerns that were clouding the horizon while others were heightened meant that UNCTAD V must respond to those new developments and help in the search for solutions by endorsing new actions and approaches. It must also, on the threshold of a new decade, stimulate fresh perceptions and help to fashion international policies for the years to come.

3. The UNCTAD secretariat had endeavoured to take account of those requirements in drafting the provisional agenda (TD/B/L.507, annex) submitted to the Board. In addition to providing for a general debate, the draft included a wide-ranging but fundamental item - item 8 - which should enable the Conference to set the particular issues with which it would be concerned against the broader background of the need for more fundamental structural changes in the world economy.

4. There was growing appreciation of a number of considerations relevant to that theme. For instance, it was increasingly recognized that current problems were so interrelated that they must be dealt with comprehensively and globally, and that many basic problems would not be solved by a mere recovery of the industrialized countries, with a return to past patterns of growth benefiting the developing countries only indirectly, but would require more basic

improvement

the developing countries with a view to reviewing the need for, deciding on, follow-up action. It would also be the occasion for review and improvement in other developments relevant to the framework of world trade, such as the elimination of restrictive business practices, concerning which UNCTAD had striven to formulate a set of rules and principles, and the generalized system of preferences, where the Conference' task would be to determine how the system could be further improved and strengthened in the light of the possible impact on it of the multilateral trade negotiations and other developments.

8. Since UNCTAD provided a unique body with the terms of reference to deal with interrelated issues in the field of trade, money and finance and development, those issues had also been the most difficult to handle. First of all, there was the problem of the environment in which they had to be tackled to the needs of the entire international community. Fundamental economic reform were taking place elsewhere, and UNCTAD could make a vital contribution to the great events of that sphere. It was in that connection that the need for the Conference to express itself forcefully and constructively on that issue.

9. There was a growing understanding of the link between such problems as the transfer of real resources, the balance-of-payments gap of developing countries, and the growing external indebtedness of those countries. Attempts had been made to respond to some of those problems, but in general they had been partial and fragmented attempts, and there was now a clearer understanding of the need for a coherent and co-ordinated framework of financial co-operation that would encompass all aspects of the problem. The Conference could make a major contribution to the development of such a co-ordinated framework. In addition, UNCTAD V must review progress made in implementing the agreement reached by the Board at its ministerial session on the question of the external debt of the developing countries.

10. The Conference would have to review and build upon the negotiations on the code of conduct for the transfer of technology and to consider further development of work on industrial property. It would also have to give further attention to issues concerning the technological transformation of the developing countries. UNCTAD V would have an opportunity to make a strong thrust in that area that could have relevance throughout the coming decade. It could also pronounce itself on the steps to be taken to give further impetus to UNCTAD's work relating to the revenue transfer of technology and to a co-operative exchange of skills among the developing countries themselves.

11. UNCTAD had increasingly become a forum where the problem of the especially disadvantaged countries received attention. The Conference could give a new and clear orientation to international policy in the 1980s in favour of the least developed countries and land-locked and island developing countries.

18. If it was to achieve those objectives, however, the Conference must meet in a constructive atmosphere. He had time and time again stressed the importance of making progress prior to UNCTAD V on questions currently under consideration. He was thinking in particular of the 1979 negotiating conference on the code of conduct for the transfer of technology, international agreements now under way in rubber and, of course, the Common Fund itself. He intended, after the next series, to inform the Board at its current session of the situation in respect of consultations on the Common Fund and the question of the date for the resumed Conference.

19. Mr. JARAMILLO (Colombia), speaking on behalf of the Group of 77, requested that the text of the statement by the Secretary-General of UNCTAD be distributed as an official document.

20. Mr. ABEDAMIO (Secretary of the Board) said that the financial implications of distributing the text (12 pages) in the official languages would amount to $3,120.

21. The CHAIRMAN said that unless there was any objection he would take it that the Board agreed that the statement by the Secretary-General of UNCTAD should be distributed as an official document.

22. It was so decided.

The meeting rose at 6.10 p.m.

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SR.499
5 September 1978

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 499th MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 31 August 1978, at 11.15 a.m.

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Other particular matters in the field of trade and development

(c) Progress in the implementation of

(i) Special measures in favour of the least developed among the developing countries

(ii) Specific action related to the particular needs and problems of developing island countries

(iii) Specific action related to the particular needs and problems of land-locked developing countries

Organization of work

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.78-69002

The meeting was called to order at 12.10 p.m.

OTHER PARTICULAR MATTERS IN THE FIELD OF TRADE AND DEVELOPMENT (agenda item 6):

(c) PROGRESS IN THE IMPLEMENTATION OF:

(i) SPECIAL MEASURES IN FAVOUR OF THE LEAST DEVELOPED AMONG THE DEVELOPING COUNTRIES (TD/B/691 and Add.1, TD/B/719; E/1978/86, Parts I and II

(ii) SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF DEVELOPING ISLAND COUNTRIES (TD/B/697; TD/B/AC.24/2)

(iii) SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF LANDLOCKED DEVELOPING COUNTRIES (TD/B/705; E/1979/87 Parts I and II)

1. Mr. PANT (Special Programme for Least Developed, Landlocked and Island Developing Countries) introducing agenda item 6 (c), said that although the third of the reports before the Board on the subject of the least developed among the developing countries (E/1978/86, Parts I and II) indicated some progress in the implementation of special measures in favour of that group of countries, their overall economic position remained exceptionally bleak. The growth in their real per capita GDP had declined in the 1970s, as compared with the 1960s, the average annual rate of growth being only 0.6 per cent, as against a growth performance for all developing countries over the same period of 2.7 per cent per capita - itself a low figure - which meant that the income gap between the least developed and other developing countries was continuing to widen.

2. The increase in concessional financial flows over the period had been offset by lower export receipts so that the foreign exchange resources of the least developed in real per capita terms had remained almost unchanged between 1966 and 1976. In an attempt to improve their foreign trade situation, UNCTAD planned to convene an ad hoc group of experts in November 1978 to consider innovative approaches and new policy measures to increase exports and examine the possibility of cheaper imports.

3. A special meeting of representatives of multilateral and bilateral financial and technical assistance institutions with representatives of the least developed countries, held at Geneva from 31 October to 8 November 1977, had carried out a general review of the requirements of the least developed countries, and its recommendations were set out under several headings in document TD/B/691 (pp. 19 et seq).

4. The second session of the Intergovernmental Group on the Least Developed Countries, held from 17 to 28 July 1978, noted in its resolution 4(II) the precarious condition of the economies of the least developed countries (TD/B/719, annex I) and recommended that consideration be given at the fifth session of the Conference to launching urgently a substantial new action programme for the 1980s. The Secretary-General of UNCTAD was requested to prepare outline proposals, and also to undertake studies to improve the strategy for speeding up the development of the least developed countries during the 1980s, as part of the preparations for the Third United Nations Development Decade. He was further requested to convene, late in 1979, a high level expert group to make detailed recommendations for a new programme of special measures on the basis of those studies.

5. The Intergovernmental Group had also recommended that another special meeting between financial and technical assistance institutions and representatives of the least developed countries should be held after the fifth session of the Conference, and that the Intergovernmental Group itself should be reconvened within the forthcoming three years with the terms of reference laid down in Board resolution 113 (XIV).

6. The Board might wish to consider all the recommendations made in documents TD/B/C.5/61 and TD/B/719.

7. Turning to agenda item 6 (a) (ii), he drew attention to the report of the meeting of the Group of Experts on Ferries and Inter-Island Services by Air or Sea for Island Developing Countries held in October 1977 (TD/B/C.5/7). The Group had paid special attention to the problems of small, remote islands. It had felt that the technical problems of inter-island transport were not particularly difficult, but funds and information about sources of capital were needed in order to acquire means of transport and infrastructure. Careful consideration should be given to the forms of support to be provided to outer islands and the requirements for transport services. The Group had recommended that UNCTAD and other agencies concerned should be prepared to offer technical assistance on those questions and had called for regional seminars on the subject.

8. With regard to agenda item 6 (a) (iii), the Board had before it two reports. It might wish to take note of the second - a study on the possibility of obtaining more favourable ocean freight rates for landlocked developing countries (TD/B/706), and to draw the attention of the Governments concerned to it.

9. At the pledging conference for the Special Fund for Landlocked Developing Countries, held on 2 November 1977, the Governments of 10 countries had announced pledges totalling $105,000, to which Saudi Arabia had subsequently added $250,000. The General Assembly had authorized UNDP, in collaboration with UNCTAD, to make interim arrangements for implementing the purposes of the Fund until it became operational. The Administrator of UNDP had been authorized by the Governing Council to appraise and approve requests for assistance, in consultation with the Secretary-General of UNCTAD. The Governing Council had also endorsed the proposal that a further pledging conference for the Fund should be held concurrently with the UNDP pledging conference for 1978.

10. In accordance with UNCTAD resolution 98 (IV), the secretariat had initiated, with funding from UNDP, pilot studies of existing cost structures for different transit corridors in Africa and Asia. Finally, UNCTAD's technical co-operation programme for all the groups of countries concerned had expanded considerably, and further resources were being sought to meet the growing needs. Among other things, between 1975 and 1977, UNCTAD had carried out exploratory missions to 24 least developed countries under a UNDP-financed programme and was at present supporting a number of technical co-operation projects at the national, sub-regional, regional and inter-regional levels.

11. Mr. EDWARDS (Inter-Governmental Maritime Consultative Organization), speaking at the invitation of the President, said in regard to agenda item 4 (e) (ii) that IMCO welcomed the opportunity to co-operate with UNCTAD in the study of air and sea transport services for island developing countries. The IMCO secretariat had released one of its expert staff members to serve in the Group of Experts in a personal capacity. He drew the Board's attention to the paper entitled "IMCO services of interest to island developing countries" (TD/B/AC.24/2).

12. IMCO played an active role in helping developing countries to obtain the knowledge and training necessary to develop and operate their shipping services in a safe and efficient manner and to protect their marine environment. Over the past few years it had furnished technical assistance and carried out numerous missions to developing islands, particularly to remote islands in the Atlantic, the Caribbean, the Indian Ocean and the Pacific. It would continue to focus attention on the shipping problems of developing countries, particularly island countries concerned with safe and efficient maritime transport services and the protection of the marine environment. The Secretary-General of IMCO had transmitted to the Secretary-General of UNCTAD preliminary observations on several of the recommendations of the Group of Experts, with a request that the observations should be made available to the Board to facilitate its consideration of the Experts' report (TD/B/687).

ORGANIZATION OF WORK

13. The PRESIDENT reminded the Board of the proposal made at an earlier meeting by the Colombian representative, on behalf of the Group of 77, for the inclusion of a sub-item on copper under agenda item 5, and of the reservation made by the representative of the Federal Republic of Germany on behalf of Group B. In the light of the consultations he had held with the group co-ordinators, he proposed that the Board should request its Sessional Committee I to discuss the subject.

14. It was so agreed.

15. Mr. BIATU'a Tshiabola (Zaire) said that the question of copper deserved special attention, and he therefore appealed to the Board to agree to its inclusion as a separate sub-item.

16. Mr. MATTHIAS (Federal Republic of Germany), speaking on behalf of Group B countries members of the Board, said that the Group was fully prepared to discuss the question of copper in Sessional Committee I on the understanding that the matter would be discussed under agenda item 5 (a) together with other commodities of importance to the Group of 77.

The meeting rose at 12.50 p.m.

United Nations Conference on Trade and Development

TD

Distr.
GENERAL

TD/B/SR.500
4 September 1978

ENGLISH
Original: FRENCH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 500TH MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 31 August 1978, at 5.15 p.m.

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Other particular matters in the field of trade and development (continued)

(c) Progress in the implementation of:

(i) Special measures in favour of the least developed among the developing countries

(ii) Specific action related to the particular needs and problems of developing island countries

(iii) Specific action related to the particular needs and problems of land-locked developing countries

Opening statement by the spokesman for the Group B countries

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.78-69014

meeting of western European countries at Bonn, the Group B countries had reiterated their determination actively to pursue the negotiations on a common fund to a successful conclusion.

8. These various negotiations had often proved more difficult than expected, which showed how exceedingly complex the problems were and how diverse the interests involved. Only patient, detailed and specific exchanges of views, instead of the reiteration of unduly generalized words, would bring about lasting results capable of satisfying the interests of all, and in particular of the developing countries.

The meeting rose at 6.25 p.m.

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SR.[illegible]
4 September 1970

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE [illegible]st MEETING

Held at the Palais des Nations, Geneva,
on Friday, 4 September 1970, at 11 a.m.

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Other particular matters in the field of trade and development:

(c) Progress in the implementation of:

(iii) Specific action related to the particular needs and problems of land-locked developing countries (continued)

Interdependence of problems of trade, development, finance and international monetary system (continued)

Other particular matters in the field of trade and development:

(a) Trade and economic aspects of disarmament.

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.70-[illegible]

The meeting was called to order at 11.40 a.m.

OTHER PARTICULAR NEEDS AND PROBLEMS OF [illegible] AND DEVELOPING COUNTRIES (agenda item 6)

(c) PROGRESS IN THE IMPLEMENTATION OF (...ii) SPECIFIC ACTION RELATED TO THE PARTICULAR NEEDS AND PROBLEMS OF LAND-LOCKED DEVELOPING COUNTRIES (continued) (TD/B/709; TD/1970/87 Parts I and II)

1. Mr. DOSSY (United Nations Development Programme) reminded the Board that according to the Statute, the main objectives of the Special Fund for Land-Locked Developing Countries were to provide resources to effect the additional transport and transit costs facing land-locked developing countries and to support projects and studies aimed at reducing such costs and generally improving the transport facilities of those countries. To date, the Fund had received contributions amounting to $673,106. The General Assembly had requested UNDP, in collaboration with UNCTAD, to propose interim arrangements to implement the Fund's purposes until it became operational. Accordingly, the Administrator had submitted proposals to the Governing Council. During the discussion on the subject, the importance of the Fund had been stressed and regret expressed that the contributions to it were so modest. The Governing Council had approved the proposal to convene further pledging conferences for the Fund, the next to be held concurrently with the UNDP pledging conference for 1972.

2. He urged all the Governments represented on the Board to endeavour to increase their contributions to the Fund. UNDP would collaborate closely with the UNCTAD secretariat in managing the Fund; UNDP Resident Representatives would represent the Fund at the field level, and until at least mid-1973, the Fund would not be required to reimburse UNDP for their services.

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT, FINANCE AND INTERNATIONAL MONETARY SYSTEMS (agenda item 2) (continued) (TD/B/712 and Add.1 and 2; UNCTAD/C1/168)

3. Mr. L'HUILLIER (International Chamber of Commerce), speaking at the President's invitation, said that in recent years ICC had given high priority to the policy and technical issues involved in economic development. The North-South dialogue had exploded the myth that the world was sharply divided into the rich and the poor; the reality was an interdependent world made up of nations covering a broad spectrum of development levels. It appeared from the experience of recent decades that the developing countries which had made most progress were generally those which had encouraged private enterprise by establishing the right environment and creating an appropriate governmental framework, in pursuit of market-oriented, outward-looking strategies.

4. During 1977, the non-oil producing developing countries had generally succeeded in reducing their current account deficit while achieving an average growth rate which compared favourably with that of the developed countries. However, inflation and growing protectionism were serious problems, and in January 1978, ICC had issued a statement on the Tokyo Round of multilateral trade negotiations, warning against protectionism as affecting the poorer countries' development efforts and calling on all Governments to commit themselves anew to an open world economy as a precondition for continued growth.

10. The world's total military expenditure was about 20 times the amount of official economic and technical assistance for the developing countries. The arms race obstructed international trade and development, leading to an accelerated rate of inflation, while the social and economic condition of working people was worsening.

11. The consequences of the arms race were felt particularly in the developing countries, undermining their efforts to speed up growth. The vast amounts spent on the manufacture and improvement of weapons formed a sombre contrast with the poverty and want in which two-thirds of mankind were living. In its Final Document, the tenth special session of the General Assembly noted that the increase in nuclear and conventional armaments was liable to defeat the efforts to promote development and to create a new international economic order.

12. To discuss trade and economic matters in isolation from the vital problems of disarmament would be unrealistic, since the arms race had a negative effect on international economic relations. Conversely, the resources released by effective disarmament constituted a vast potential for increasing development aid and improving standards of living everywhere.

13. At the special session of the General Assembly, the Soviet Union had reiterated its proposal for the reduction of the military budgets of States possessing a large economic and military potential, including in particular all the permanent members of the Security Council. Since the suggested percentage reduction of military budgets was opposed by some of the Powers concerned, the Soviet Union had announced that it was prepared to discuss absolute figures rather than percentages. At the same time it had proposed that agreement should be reached on the amounts which each State would allocate to increased development aid after reducing its military budget.

14. The peaceful principles underlying Soviet foreign policy were anchored in the constitution of the USSR, which prohibited war propaganda. Disarmament was part of the programme in the struggle for peace and international co-operation, for the freedom and independence of peoples proclaimed by the Communist Party of the Soviet Union at its twenty-fourth and twenty-fifth Congresses.

15. UNCTAD had a special duty to concern itself with the trade and economic aspects of disarmament in order to give effect to the resolutions adopted in the United Nations on the subject. At its special session on disarmament, the General Assembly had asked the Secretary-General to undertake an expert study on the relationship between disarmament and development. Clearly, UNCTAD could make an important contribution to that study, and its secretariat should make contact with the expert group for that purpose. UNCTAD's experience in studying the possible effects of disarmament on international trade and development had proved very valuable for the international community in solving the vital problem of ending the arms race. The Board had a special responsibility to intensify UNCTAD's work on that problem.

16. Mr. [illegible] (Mexico) referred to the duty of all States under the Charter of Economic Rights and Duties of States to promote general and complete disarmament and utilize the resources thus released for economic and social development, and more particularly for increased assistance to the developing countries. He also reiterated his country's support for the proposal by France at the tenth special session of the General Assembly that a special disarmament fund for development should be established, and he urged the Board to make an appeal to the international community in order to prepare the ground for the adoption of a resolution setting up such a fund at the General Assembly's thirty-third session.

17. Mr. Chan-Fong (Chile) said that the Board had been deliberating on the trade and economic aspects of disarmament every year since UNCTAD III. For the super-powers Chile could have a prime interest in that item as engaged in arms competition and unprecedented speed. According to estimates, its military expenditure had risen from some 10 billion in 1961 to $126 billion in 1977 and equalled more than 50 per cent of the total military expenditure of some 150 countries. In the past 10 years, the number of strategic missiles had increased to 7 times the earlier figure, the tonnage of warships had nearly doubled, the number of its tanks had increased by almost 10,000 and its military aircraft by several thousand. The strength of its army had grown by more than 1 million men.

18. While proclaiming the need for assistance to the developing countries, it pretended that it was not responsible for their poverty. The frequent references to the utilization of the resources released by disarmament for development assistance were merely intended to deceive the world about its real intentions. In recent years, some advanced countries had cancelled the debts incurred by developing states. If the super-power to which he referred desired to contribute its diversity and benevolence, why did it not declare the cancellation of the military debts owed to it by the developing countries?

19. Mr. Peavy (Canada) said that his decision of the present agenda item was of particular importance in the light of the tenth special session of the General Assembly on disarmament. The President of the Board had rightly drawn attention to the subject in his opening statement. The international community should unite its efforts to achieve general and complete disarmament so that the peace and security necessary for solving urgent trade and development problems throughout the world could be established. Despite the strenuous efforts of the socialist countries and other peace-loving forces throughout the world to slow it down, the arms race had continued at a rending pace for expanding geographically. New scientific discoveries were being used to produce increasingly lethal weapons, and vast material and human resources were being diverted from world economic and social development to arms production. In those circumstances, it was vital for countries to join in securing new and active measures to halt the arms race and eliminate the threat of nuclear war.

20. The international organizations also had a part to play in fulfilling the recommendations made by the General Assembly at the tenth special session. It was right for UNCTAD to consider the trade and economic aspects. The enormous funds that could be freed by disarmament could significantly help international trade and make a great contribution to development.

5. It was regrettable that a number of important points raised by delegations at the first part of the Board's seventeenth session had been largely disregarded. As part of its contribution towards disarmament, UNCTAD should make new efforts to study the favourable effects of disarmament on trade and economic relations. The Board might recommend that the Secretary-General of UNCTAD should prepare a report on the subject as a contribution to the United Nations study on the link between development and disarmament called for by the General Assembly at its tenth special session.

6. Turning to the statement by the Chinese representative, he said that the international community was familiar with China's imperialistic and chauvinistic aims: the allocation of nearly half its total output to military purposes, its policy of hegemony with regard to neighbouring countries, and its close links with fascist and reactionary circles in the settlement of the world's struggle for social progress and independence.

7. He hoped that UNCTAD would intensify its activities in the field of disarmament in the light of the tenth special session of the General Assembly.

8. Mr. [illegible] (German Democratic Republic) welcomed the statements made by the President of the Board and the Secretary-General of UNCTAD in their opening statements. Considerable possibilities were open to the international community in the field of disarmament. Principles of peaceful coexistence by countries with different economic and social systems had been established and could play an active part in developing international trade and economic co-operation and in bringing about the necessary economic and social changes in systems inherited from the colonial era. It should also mean the opposite of international détente had to be intensified. Those engaged in such détente were exerting every effort to return the world to cold war conditions, in which it was impossible to solve economic development problems.

9. His delegation fully supported the view that attention should be concentrated on the main problems of UNCTAD's activity. The items of economic aspects of disarmament, which the Conference had in part already considered, should be a matter for the Board's continuing attention. Further use of those items was necessary. The relevant sections of the annotations to the provisional agenda (TD/B/AC.5/L.1) were significant in that respect.

10. Consideration of the trade and economic aspects of disarmament should take into account results already achieved and should be closely linked to all the efforts being made to secure general and complete disarmament. It was the duty of the entire international community to participate in efforts to promote practical disarmament measures and thus increase the resources available for economic and social development and improved living standards for all peoples.

11. World military expenditure was estimated at nearly $200 billion annually. The diversion of those vast resources from productive purposes not only impeded world development but threatened mankind with nuclear destruction. His country had joined the majority of United Nations Member States in supporting the practical suggestions made by the Soviet delegation at the special session of the General Assembly on disarmament with a view to ending the arms race, and in particular to reducing nuclear weapons. The implementation of those proposals

unfulfilled

TD

Distr.
GENERAL

TD/B/SR.302
6 September 1973

Original: ENGLISH

United Nations Conference on Trade and Development

TRADE AND DEVELOPMENT BOARD

Twenty-seventh session

SUMMARY RECORD OF THE 302nd MEETING

held at the Palais des Nations, Geneva,
on Tuesday, 5 September 1973, at 11.00 a.m.

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Interdependence of problems of trade, development, finance and international monetary system

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

United Nations Conference on Trade and Development

Distr.
GENERAL

TD/B/SR.505
5 September 1970

ENGLISH
Original: FRENCH

TRADE AND DEVELOPMENT BOARD

Eighteenth session

SUMMARY RECORD OF THE 505rd MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 5 September 1970, at 3.30 p.m.

President: Mr. CASTELLANOS (Venezuela)

CONTENTS

Interdependence of problems of trade, development, finance and international monetary system (continued)

Fifth session of the United Nations Conference on Trade and Development: objectives, provisional agenda, preparatory work and organization (continued)

---

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Any corrections to the records of the meetings of the Board at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

GE.70-69130

The meeting was called to order at 3.45 p.m.

INTERDEPENDENCE OF PROBLEMS OF TRADE, DEVELOPMENT, FINANCE AND INTERNATIONAL MONETARY SYSTEM (agenda item 2) (TD/B/7 ? and Add.1 and 2) (continued)

FIFTH SESSION OF THE UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT: OBJECTIVES, PROVISIONAL AGENDA, PREPARATORY WORK AND ORGANIZATION (agenda item 4) (continued) (TD/B/L.507 and Add.1)

1. Mr. KEMATTAR (Jamaica) said that interdependence did not mean that the development of the developing countries should depend on the growth of the developed world through the so-called spill-over effect. It was a working hypothesis which reflected the fact that all nations formed an interdependent world economy. That idea should be expressed in a comprehensive system of mechanisms and arrangements that would facilitate and underpin the faster progress of the developing countries in a context of over-all growth and stability. It was thus most useful in clarifying issues, supporting negotiations and identifying priorities in areas of major interest for the success of development programmes in developing countries.

2. The trade prospects of those countries were crucial to the success of their development programmes and were themselves dependent on demand conditions in world markets and trade barriers. Developing countries could not direct their investment programmes designed to promote export diversification and industrialization in an uncertain world economic environment where trade barriers proliferated, mainly because of structural problems within the developed market economy countries.

3. Access to capital markets, an issue of growing importance for many developing countries, was largely governed by market perceptions as to the export potential of the individual developing countries, and was thus connected with their access to the domestic goods markets in the developed countries. Once again, the link between slowing world trade and the proliferation of trade barriers was clearly recognizable.

4. The transfer of real resources to developing countries to support their development programmes took on new dimensions when viewed in the context of interdependence. First, its raison d'être was to promote the development of those countries. However, from the point of view of the world economy, the most productive use of such financial resources was in the developing countries. Secondly, since those resources would be used to a large extent to purchase imports from the developed countries and, in general, would stimulate world demand, the real cost to the developed market economy countries of such transfers of financial resources would be much less than the apparent cost.

5. The argument that increased demand by developing countries for products from the developed market economy countries would have inflationary consequences illustrated the latter's unwillingness to adjust to new world economic conditions and the tendency of many of them to support declining industries that had lost their competitive edge in world markets rather than to promote investment in sectors and industries where world demand was rising.

adopting a global conception of those problems. He wished, on the eve of UNCTAD V, to confirm his delegation's position and to express the hope that the Board's consideration of the question would help to create favourable conditions for an objective study of the concrete problems that would have to be solved at Manila.

11. That did not mean, however, that the Soviet delegation was ready to agree to give the idea of interdependence a sense quite different from that specified in the UNCTAD resolutions, and in particular in resolution 144 (XVI) of the Board, by speaking, as some people had done, of the interdependence of States. It was incontestable that many links existed between States, but no particular political conclusion could be drawn from that fact. Certain delegations, however, gave the impression that when they spoke of global interdependence they meant that since everything was linked in the world economy, responsibilities and obligations should be shared equally by all States. In reality, the responsibilities belonged especially to those which had the means to overcome the crisis in the world capitalist economy and were responsible for it, namely the capitalist countries themselves.

12. The history of the 1970s had shown that, in conformity with the laws of capitalism, based on exploitation, the upheavals in the world capitalist economy, while bringing to nothing the plans and hopes of certain countries, had provided an opportunity for other countries to become richer, to consolidate their economic position, and even to dictate conditions inspired by their selfish interests. Although unemployment in the capitalist countries had never been so high since the war, the profits of the monopolies had reached unequalled proportions. At the international level, the development of a large number of countries in Africa, Asia and Latin America had been jeopardized by the crisis, and that had made the already difficult situation of millions of their inhabitants still more serious.

13. It appeared from the documents provided by the UNCTAD secretariat that larger and larger amounts of private capital had been invested in the developing countries. The direct investments of companies and the operations of private banks of Western countries had reached record levels. The result had been that the Western investors and creditors had tapped the resources of the developing countries to a rapidly increasing extent. The profits from the investments of Western companies in developing countries had reached a level of 25 per cent, or twice that of investments in the economy of the developed capitalist countries. From other sources it was known also that more than half the profits of the New York banks were derived from their operations in developing countries.

14. It should be pointed out once again that the socialist countries had taken no part in the upheaval of the world capitalist system, although on the other hand the adverse trends that had appeared in the capitalist countries had had very pronounced repercussions on the economy of the socialist countries.

46. The community of interest between socialist countries, developing countries and even certain quarters in the developed market economy countries lay also in their efforts to contain the expansion of the multinational corporations. There existed a great danger that the new international economic order would become the subject of an much heated right as it sought to reform the selfish interests of those corporations.

47. That was why a united and developing countries should unite [illegible] mutually co-operation on the basis of mutual benefit. Such "win through trade" was preferable to purely financial transfers, which for countries like his were very difficult to generate. It was to be hoped that the discussion in East-South relations on the question of transfers of resources, on the other hand, concerned a trade order consisting of progressive mutual structural adjustment would assist in the attainment of development targets at both ends.

48. Mr. ZHUKOV (Ukrainian Soviet Socialist Republic) said that his delegation was fully conscious of the complexity of the present economic situation in developed capitalist countries and in many developing countries, and of the difficulties hindering healthy growth of co-operation and international economic and trade relations. Delays in implementing progressive principles in restructuring those relations gave rise to legitimate concern.

49. Developing countries were the most affected by those difficulties. While the stock language of statistics did not fully convey the [illegible] in the international capitalist division of labour and the existence of international monopolist capital in the key economic sectors of many developing countries.

50. By their short-sighted policies, multinational corporations added to the instability and unfairness of capitalist economic development and worsened economic and political contradictions which were unacceptable. In fact, it undermined the struggle of such corporations to appropriate natural resources and spheres of influence, especially in developing countries. [illegible] UNCTAD should take a more active part in helping developing countries to defend their interests in the face of attempts by multinational corporations to interfere in their economic and political, [illegible].

51. The Ukrainian delegation was greatly concerned about the deteriorating economic and primary commodities and the fall in prices [illegible], particularly industrial and food products. Expenditure of manufactured from developing countries set with trade, political and other obstacles in developed countries, the revival of trade [illegible], which were the main - [illegible] dependency, was taking place very slowly.

52. The interdependence of problems relating to [illegible] development including and the international monetary system was an objective fact. Given the capitalist of the EEC countries tried to use for selfish interests, [illegible] countries were trying to use the objective process of development, the international division of labour and the closer economic relations between countries to justify and maintain the present disparity between the capitalist world's economic system and the economy of developing countries.

53. Confronted with such colonialist and neo-colonialist endeavours, the countries that had actually improved their economic and social development were those which had guided their development towards the State sector, rejecting the old system of land tenure and agriculture, which had introduced a policy of socialization, and acquired true sovereignty over their natural resources and were now training management skills of their own.

54. The Ukrainian SSR had a unified economic system, that of the Soviet Union, and gave economic assistance to developing countries within the framework of bilateral agreements between the Soviet Union and those countries and within the United Nations system. Such co-operation was aimed at helping developing countries to solve their formidable problems and to reinforce their political and economic independence. The Ukrainian SSR, therefore, furnished them with materials and industrial plants, it sent them engineers, doctors and teachers; in its institutes and schools, it trained specialists from those countries and organized seminars, courses and discussions for them.

55. The implementation of national economic development plans of wide scope in the socialist countries would offer new possibilities for widening economic and trade co-operation with capitalist countries and for steadily consolidating over the long term its economic relations with developing countries, [illegible] equality, mutual advantage and respect for sovereignty.

56. From its inception, UNCTAD had received a mandate to discuss the important problems under consideration; but it was obvious that strengthening its authority would give greater weight to its decisions. In view of its universality, the interdependent problems of trade, development financing and the international monetary system should be studied in UNCTAD with the participation of all countries on an equal footing, respecting the principle of mutual advantage and to the interests of all trade partners, without discrimination.

57. Mr. KRISHNASWAMY (India) said that several key negotiations, involving in particular the generalized system of preferences (GSP), the Integrated Programme for Commodities and the multilateral trade negotiations, should take place before the end of 1978. They would reach a culminating point in 1979, when, at the beginning of a new development decade, UNCTAD V could take stock and agree on fresh approaches.

58. World economy was in a state of continuing crisis. The situation was not cyclical but of a long-term structural character. Developing countries had never possessed the means to combat it, although they suffered from both inflation and stagnation, due in particular to supply rigidities, a low degree of diversification, concentration on a limited number of products, surplus labour and inadequate scope for flexibility in public expenditure. The slow pace of adaptation to changing patterns of comparative advantage induced pessimism about immediate prospects. The burden of adjustment was being passed on to the developing countries through expansion of their payments deficits and increase in their indebtedness, worsening of their terms of trade and slowing down of their overall growth.

59. Simultaneously, the post-war institutions and more particularly the Bretton Woods system had broken down, affecting the export earnings of developing countries, whilst overt or covert protectionist tendencies, often outside GATT, had highlighted the present inadequacies. Those were problems which brought out the structural and institutional weaknesses of the international economic system and the need for co-ordinated action with regard to economic relations in different sectors. During economic summit meetings, some developed countries had recognized that co-ordination should be related to money and finance questions and to trade and development. Developing countries should be involved in such deliberations, and the principles determining inter-sectoral relationships should be made more responsive to their needs. He welcomed, therefore, the initiative taken by UNCTAD in tackling the question of interdependence and emphasized the need for a continuing mechanism for pursuing such deliberations.

60. Policies must be evolved and implemented to facilitate the process of adjustment and redeployment of production on the basis of a new and more equitable international division of labour, with restructuring of commodity markets, increased availability of resources and technology to the developing countries, and reform of the monetary system and of the institutional mechanisms.

61. In that context, the Indian delegation viewed the rise in protectionist tendencies in the developed countries with the greatest concern: they created barriers in the sectors in which developing countries had a comparative advantage or increasingly processed their commodities. It was ironic that the developed countries should have resorted to restrictive measures just when several developing countries had been making efforts to liberalize their import regimes. Such protectionist tendencies resulted in a setback for the economy of the third world, but also for the world economy. Proper adjustment measures should be taken on the basis of international consultations.

62. With regard to the multilateral trade negotiations, his delegation thought that there was little hope of a fundamental transformation in trade relationships between developed and developing countries. With regard to the reduction of trade barriers, it seemed likely that the sectors of greatest interest to developing countries would not benefit, or would only partially benefit, from liberalization. On the other hand, for non-sensitive items, there might be an erosion of the terms of preferential access. Furthermore, trade liberalization was largely confined to tariffs, with little prospect of progress in respect of quantitative restrictions. In such an important sector as textiles, there had not even been discussion on quantitative restrictions.

63. It was also likely that efforts to update the rules of international trade in order to meet the particular needs of developing countries would be frustrated. If discussions on safeguard measures and subsidies and countervailing duties did not move in a new direction, they would harm developing countries in a discriminatory fashion and at the same time would reinforce protectionist tendencies. The negotiations in the Framework Group also gave cause for concern. The proposals for procedural improvement submitted by the developing countries were rejected, but they

69. Developing countries should also be helped to export their processed products and manufactures. A major area in that connexion was the financing of export credits.

70. His delegation gave the highest priority to economic co-operation among developing countries, which would not only insulate them from excessive fluctuation in the world economy, but would also enable them to pool their experience and skill. Following the decisions adopted by the Conference of Ministers of Trade of the Economic and Social Commission for Asia and the Pacific and the Conference of Ministers of Non-Aligned Countries, it was to be hoped that the Conference on Technical Co-operation between Developing Countries at Buenos Aires would make recommendations which could form part of a plan of action. At UNCTAD V, comprehensive guidelines should be drawn up for the evolution of concrete schemes for co-operation among developing countries. It would be useful to take advantage of the services of the International Trade Centre UNCTAD/GATT in promoting such co-operation.

71. Mr. ASSEFA (Ethiopia) noted that the report on the World Economic Outlook 1976-1978 (TD/B/712/Add.1) stated in paragraph 36 that the rate of growth of GDP of the least developed countries was 3.1 per cent in 1977 and 3.6 per cent for the period 1970-1977 and that it was expected to be about 4 per cent per annum in the 1978-1979 period. However, the report of the Intergovernmental Group on the least Developed Countries on its second session (TD/B/710) stated in paragraph 11 that during the 1960s the real per capita GDP had grown at a rate of only 0.9 per cent per annum, while from 1970 to 1977 the rate had been only 0.6 per cent. He requested the secretariat to clarify the discrepancy.

72. His delegation had listened with interest to the statement by the Director of the Money, Finance and Development Division, who had spoken of a direct link between the growth of developing countries and economic recovery in developed countries and had emphasized the need for common and co-ordinated action on the finance, trade and monetary levels in order to emerge from the existing situation of inflation, unstable exchange rates, unemployment and the deterioration of the terms of trade of developing countries. Ethiopia was ready to participate in any initiative to that end. The Conference had, however, already adopted resolution 84 (III) in which it stated that problems in the monetary, trade and finance spheres should be resolved in a co-ordinated manner, taking into account their interdependence, with the full participation of developed and developing countries. Six years had passed and the situation had gone from bad to worse. It might be asked why nothing had been done: was it because of lack of awareness of those problems within the international community or of the absence of good will in the various agencies of the United Nations system or, as several delegations had pointed out, was it due to the activities of multinational corporations? Since those corporations controlled the means of production and distribution, in other words trade, it was surely not difficult for them to control the monetary and finance systems as well. Under such conditions, how could the Governments of developed and developing countries introduce fundamental structural changes? It was difficult to believe that countries like France or the United States, if they

vested interests, the other bent on expansion and infiltration, was taking the offensive in order to supplant its adversary and to seek world hegemony. The latecomer among the imperialist powers was engaged with impunity in arms expansion and war preparations. On the pretext of "friendly co-operation" with the developing countries, it wormed its way into the confidence of others and plundered the natural resources, particularly strategic raw materials, of the third world countries, and turned those countries into export markets for its manufactured goods. It spared no efforts to control certain energy supply lines at sea in order to strangle the economies of certain developed countries. Some second world countries were becoming increasingly aware of its schemes and were taking precautions. There was still room, however, which believed it possible to appease the super-powers in question by providing it with energy, goods and technology. History had shown that such a policy would only make it more ambitious.

77. In order to resume the negotiations concerning the Common Fund on a good foundation it was imperative to organize consultations with a view to narrowing the differences as much as possible. The implementation of the integrated programme for commodities would serve the interests not only of the developing countries but also of the developed countries, particularly of Western Europe, which should redouble their efforts to bring the negotiations out of the deadlock.

78. The ever-worsening debt burden of many developing countries was another important problem. Certain agreements had been reached at the ministerial session of the Board on the debt of the least developed countries, but such agreements represented a mere drop in the ocean.

79. A number of second world countries had shown a positive attitude towards the third world, some of them having expressed their support for an early resumption of the negotiations on the Common Fund and others having decided to cancel the official debts of some developing countries. Such action would do a great deal to improve their relations with the third world and counter the expansionist policy of the super-powers.

80. The various negotiations on the establishment of a new international economic order had largely reached deadlock. The terms of trade of many developing countries were deteriorating, the purchasing power of their export earnings was decreasing, and their trade deficits were growing. The economic and military crisis and protectionism in the West were severely affecting those countries. In such circumstances, it was imperative to transform the old international economic order. In considering the provisional agenda for UNCTAD V, the objectives should be to apply the correct principles of the declaration adopted by the General Assembly at its sixth special session. Resolution 165 (XVII) of the Board stipulated that the Conference should have a selective agenda; consideration of secondary items should be avoided so that the Conference could devote itself to solving the major international economic and trade issues.

81. Having defeated the "Gang of Four", the Chinese people had begun a new long march. In order to modernize their agriculture, industry, national defence and science and technology by the end of the century, they would continue to carry out a policy of independence and self-reliance for building socialism, utilizing

[illegible]. In the context of its new Constitution, the Byelorussian SSR, together with the USSR and other Soviet Socialist Republics, had made many efforts to carry out basic transformations and to safeguard socialist achievements. It had increased its productive forces and obtained excellent results on the economic, technical and cultural levels. Its industrial production was 190 times greater than it had been before the Revolution; its economic potential had doubled in seven years; and the 10th five-year plan had been successfully implemented.

[illegible]. His delegation strongly shared the view of speakers who had drawn attention to the need for careful consideration of the problems of protectionism, liberation of international trade and renewal of trade barriers.

[illegible]. He noted with regret that, for the second time, a delegation had failed to respect the constructive spirit in which the Council's discussions took place and had made insinuations which he would not even refute, since they were entirely lacking in terms of time.

[illegible]. Mr. [illegible] (Mexico) said that the word "interdependence" truly reflected the international economic reality of the day, especially that there was a two-way flow and a possible multiplier effect. Developing countries, developed countries and socialist countries were the interdependent players in a game of which they should respect the rules, any one of them being able to affect the others. The rules of the world economic game had been drawn up at the end of the war; the players were the United States, a prostrate Europe and a group of developing countries and colonial territories which were the suppliers of raw materials. Things had completely changed since then. On the one hand, Western Europe and Japan had completely recovered and the economic growth of the socialist countries had been remarkable. On the other hand, the colonies had become independent nations; they had joined the group of developing countries, which were actually becoming industrialized, a process that had changed the structure of production and of specialization on a world scale.

[illegible]. The circumstances having changed, the rules of the game also had to change, and that should be done within the framework of the new international economic order. Since it was only under that new order that the situation of each of the interdependent partners could improve. The problems relating to trade, which were dividing even the international monetary system, should therefore be examined simultaneously, bearing in mind their interdependence with other elements of the new order such as the transfer of technology and industrial restructuring. Any progress in the matter would be facilitated if substantial reforms were carried out in other sectors.

[illegible]. Referring to trends in terms of parallel between exports and GDP. In the period 1960-1976, the share which developing countries represented in GDP at world level had increased by about 25 per cent as compared to that of developed market economy countries. On the other hand, during the same period, their share of world exports as compared with that of market economy developed countries had increased relatively by 50 per cent. That was the result of disparities in changes in export prices, the prices of manufactures having increased at a faster pace than those of primary commodities. In such circumstances, his delegation was not happy about the little progress made hitherto in the negotiations on the Common Fund and the two monetary meetings on primary commodities.

90. [illegible] oil-producing countries suffered from the increase in the prices of oil, the main reason being that the level of commodities, which were the chief components of oil, and of the prices of their exports of manufactures were in line with that increase. It was therefore ideal that the prices of manufactured goods be increased at a faster pace than those of primary commodities. In addition, the capital/labour ratio was lower there in developed countries. The latter could therefore periodically accept a reduction in their real income, which did not occur during inflation and economic crisis in developed countries.

91. In those circumstances, the principal task [illegible] would be [illegible] to change their import [illegible] and development programmes. In the 1974-1977 period, their deficit [illegible] rose from $40 billion to $120 billion at the end of 1977, or [illegible] oil-exporting developing countries [illegible] $110 billion. [illegible] in order to meet short-term [illegible] to public banks at [illegible] interest. The problem of transfers [illegible] arose resulting from the increase in the oil bill. [illegible] might [illegible] prevent [illegible] from being [illegible] from the point of view of [illegible] export [illegible]. It would [illegible] the objective of [illegible] and [illegible] Sweden.

92. [illegible] the problem of international [illegible] in the light of the difficulties of developing countries [illegible] secure equitable prices [illegible] the exports of primary commodities. Furthermore, [illegible] to help them [illegible] of primary commodities, particularly [illegible] programmes [illegible] to repay [illegible] debts, especially their external [illegible] greatly limiting their purchasing power, [illegible] their capacities [illegible] cooperative arrangements [illegible] countries.

93. The international monetary system established [illegible] when it was [illegible] already seen that the [illegible] were no longer valid. Developing countries were affected [illegible] by the difficulty of [illegible] to their interests because of the [illegible] policies of developed countries. For that reason it was absolutely necessary that they should have a greater share in the decision-making process with regard to international financial and monetary matters. It was also necessary that they should become a central concern in the international monetary system. In that connexion it pointed out that the seventh quinquennial review of quotas, which should have taken place in January 1978, had not been completed and he drew attention to the proposal made by his delegation at the most recent session of UNCTAD that quotas should be increased by 50 per cent.

94. The desire of some developed countries to solve their short-term problems had adversely affected long-term international economic relations by creating structural imbalances. To overcome the present stagnation, it was obviously necessary that all countries should unite their efforts and think more about the long term, in the light of the interdependence of all partners. His delegation therefore believed that the Board should ask the Secretary-General of UNCTAD to carry out a study on the subject of the possible impact on the establishment of the new international economic order of delays in negotiations on each of its elements, bearing in mind their interdependence.

95. Mr. ABEMIJI (Nigeria) said that the eighteenth session of the Board was crucial both because it was expected to give an impetus to the important negotiating conferences scheduled for the next three months, and because it had the task of preparing the draft agenda for UNCTAD V. The atmosphere of UNCTAD V would depend very much on the outcome of the negotiations, especially regarding the Common Fund, the International Code of Conduct on Transfer of Technology, and the International Rubber Agreement.

96. The importance of the concept of global and sectoral interdependence had been generally recognized. It had long been a topic of interest to the international community. Experience had shown that measures taken by various countries or groups of countries affected other countries which were not party to such unilateral action was inconsistent with efforts to establish a new international economic order, based in particular on equality and on the genuine interdependence of all countries.

97. In resolution 165 (XVI), the Board had failed to reflect the topic of interdependence on the agenda of its regular sessions. It had requested the Secretary-General of UNCTAD to keep its work programme under review. The Board still had before it a draft resolution (TD/B/ ) which, while commendable, including his own, had consulted on the fourteenth session and still remained valid.

98. It might well be asked why nothing had been done in such fields of major importance. The discussions which had taken place on the subject in UNCTAD and elsewhere had been largely inconclusive, reflecting a setback in the world economy and the fitful development of the external prospects of developing countries. Even the efforts made to solve top priority issues had disappointing results, because they had been made in isolation and not from a comprehensive, co-ordinated approach which would have taken into account fortuitous national and factors.

99. It was obvious that the third session of the Committee for Co-operation among Developing Countries, whose establishment had been decided by the Arusha Summit Conference, whose permanent secretariat had been provided by the Board and which had been given a relevant place in the Lima Plan had been jeopardized by the recent instability of the European financial system. Furthermore, the developing countries' growing internal difficulties drew their regard of endeavours and prevented them from investing in long-term plans. It was high time to initiate co-ordinated action, as the Algerian delegation had suggested, the initiation of the question of interdependence to the agenda of UNCTAD V, which should make an effective contribution towards providing an economic framework.

100. The UNCTAD secretariat, in its present analysis, had laid much emphasis on the difficulties of non-oil-producing developing countries that it gave the impression that all was well with oil-exporting developing countries. He would like to hear the secretariat's explanation in terms of the problems of the latter countries.

101. With regard to UNCTAD V, the delegation was ready with considerable interest the draft provisional agenda (TD/B/ ). It endorsed the principle of a selective agenda which would include only issues sufficiently advanced to merit consideration at ministerial level, to which work begun within and already been discussed by the Board and its subsidiary organs. The conference